

## Pilot of F-16 Thanks God And Marines For Rescue

By Dan Williams  
Washington Post Service

AVIANO AIR BASE, Italy — Shot down over Bosnia and alive to tell about it, Captain Scott F. O'Grady returned to his home base to a hero's welcome on Friday, and thanked God and the Marines for his rescue.

Showing few adverse signs from his six-day ordeal in hiding, Captain O'Grady smiled broadly as he walked into a hangar where about 500 uniformed comrades and their families greeted him loudly. American schoolchildren sang the National Anthem, and four NATO jets flew in formation.

Tears were in the U.S. pilot's eyes as he thanked his rescuers.

"They risked their lives to get me out," he said. "If you want to find some heroes, that's where you should look. They are the biggest heroes in the world."

Captain O'Grady's F-16 was shot down over northern Bosnia near the Serbian stronghold of Banja Luka on June 2. He was rescued by U.S. Marines in the early hours of Thursday.

He said almost nothing about what he did on the ground as he tried to evade capture, but declared that "God's love" had seen him through. After embraces with pilots who had flown with him, including one who saw Captain O'Grady's jet hit by a missile, he left to describe his ordeal to military debriefers.

Captain Bob Wright, who flew in a jet tandem with Captain O'Grady's the day of the shooting, said he had seen the hit. "His F-16 became pretty much a big fireball," he said.

At least two FA-6 surface-to-air missiles were fired at the jet, officers at Aviano said.

Reuters reported from Aviano:

The commander of NATO air forces in southern Europe said Friday that he believed Captain O'Grady had flown into a trap when he was shot down. The commander, Lieutenant General Michael E. Ryan, said that Bosnian Serbs had been targeting NATO aircraft "in a very major way" since November.

But referring to surface-to-air missiles, he added: "In the case of Scott O'Grady, they were in an area where we did not think they had SAM capacity. My personal feeling is that they intentionally set a trap and sprung it."

General Ryan's declaration appeared to reflect a growing frustration among NATO air forces trying to enforce a United Nations no-fly zone over Bosnia that the Bosnian Serbs' anti-aircraft defenses have not been taken out by air strikes.

Asked whether he thought the Bosnian Serbs' sophisticated air defense system should be destroyed, the general said: "That's a political decision."

In Washington, a U.S. military survival expert said that Captain O'Grady "had a lot of close calls" after he was shot down.

"He had a lot of traffic around him so he could not go out and hunt for food," said Bob Dussault, deputy director of the Defense Department's survival training agency. The pilot survived on bugs and rainwater sipped up in a spoon. Mr. Dussault said, avoiding capture by staying absolutely still and under cover during the days and moving about only at night.



Captain Scott F. O'Grady waving joyfully to the crowd on Friday on his arrival at the U.S. air base in Aviano, Italy.

## In House Vote, Shift on Arming Bosnia

By Michael Dobbs  
Washington Post Service

WASHINGTON — By voting more than 3-to-1 for a unilateral lifting of the arms embargo against former Yugoslavia, the House of Representatives has in effect passed a bipartisan vote of no confidence in the Clinton administration's handling of the Bosnian crisis.

The practical significance of the House vote is likely to be limited in the immediate future, as administration officials have said that the president will almost certainly veto the measure if it passes the Senate.

The political significance is considerable, however, as the vote illustrates the dismay felt by both Democrats and Republicans over a series of humiliating setbacks to the United Nations and the North Atlantic Treaty Organization in Bosnia, culminating in the seizure last

month of hundreds of hostages by the Bosnian Serbs.

The vote was the first major congressional ballot on Bosnia since the Republicans took control of Congress in November, and the change in sentiment from the past was striking. When the

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issue of permitting the Muslim-led Bosnian government to arm itself first came up in the House a year ago, the resolution passed only narrowly, and was watered down by the Senate.

At that time, a majority of House Democrats (132 to 117) supported the administration's position that a unilateral lifting of the embargo would have disastrous results, both for the United States and for Bosnia.

On Thursday, however, a large majority of Democrats (120 to 71) joined an even larger majority of Republicans (198 to 28) for a total vote of 318 to 99 in favor

of lifting the arms embargo at a time to be determined by Bosnia's government.

"This clearly shows the will of the American people — it is 3-to-1 for lifting the arms embargo," said the delighted Bosnian prime minister, Haris Siladzic, who watched the voting to the House.

The House debate, and a series of hearings in both the House and the Senate, show that pressure is building up in Congress for a radical change in Balkan policy.

"We are not going to be put off by a presidential veto, we will keep coming back," said Representative Christopher H. Smith, Republican of New Jersey, a co-sponsor of the move to lift the embargo. "People here are frustrated with all the ineffectual talk and diplomacy."

It was left to the former chairman of the House International Relations Committee, Representative Lee H. Hamilton, Democrat of Indiana, to put the admin-

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## U.K. Reversal Allows Accord On Hong Kong Appeals Court

By Kevin Murphy  
International Herald Tribune

HONG KONG — After a sudden, sharp policy shift by the British government, London and Beijing agreed Friday to plans for a new supreme court for Hong Kong.

But the move, which should end years of uncertainty over the shape of Hong Kong's legal system after its 1997 return to China, outraged many local lawyers and members of the Legislative Council, which still must endorse the new Court of Final Appeal.

Critics of the agreement said that Britain has opted for expedience over principle in its haste to ensure a smooth transition and limit further disagreements with China.

"It is an agreement in British interests, but I suggest not in Hong Kong's interests," said the Democratic Party chairman, legislator and lawyer, Martin Lee. He vowed to oppose the accord in a vote expected on Wednesday.

Keen to avoid a rancorous repeat of a conflict over political reform that badly shook the colony's confidence, British and Chinese negotiators early Friday morning finalized plans for the establishment of a local replacement for London's Privy Council, currently the last step in Hong Kong legal appeals.

But the agreement, which includes at least one new point of law concerning the court's limitations, largely mirrors earlier proposals rejected twice by local legislators.

It also contradicts a long-held British policy, strongly supported in the community, which holds that the court should be in place well before July 1, 1997, the first full day of Chinese rule.

"All along, the government has been saying that we need to have one as early as possible," said a legislator, Allen Lee, of the Court of Final Appeal in a query to Governor Chris Patten. "Is this argument invalid now?"

Mr. Patten had threatened to press ahead with plans to set up a court without China's acquiescence, a strategy one senior aide said was being planned until Beijing offered London a compromise about a week ago.

"It was not a particularly easy concession to make," said the senior Hong Kong official involved with the negotiations, describing the decision to delay the court's start until 1997.

"But when you look at the alternatives, leaving its formation until after 1997, or proceeding alone and risking China abolishing it later, I believe people will agree that we have done the right thing," he said.

Beijing has repeatedly said it will dismantle the local legislature in 1997 and replace it with one more to its liking because it disagrees with the electoral reforms instituted without its prior approval.

According to Hong Kong negotiators, the court's delay until July 1997 was the price China demanded for its agreement to plan the court now and to allow the Legislative Council to approve it.

Since the Legislative Council rejected a presidential veto, we will keep coming back," said Representative Christopher H. Smith, Republican of New Jersey, a co-sponsor of the move to lift the embargo. "People here are frustrated with all the ineffectual talk and diplomacy."

It was left to the former chairman of the House International Relations Committee, Representative Lee H. Hamilton, Democrat of Indiana, to put the admin-

## China Raises Its Rhetoric Over Visit by Taiwan Chief

Lee, in U.S., Says Island 'Is Definitely Not Part' Of People's Republic

Compiled by Our Staff From Dispatches

BEIJING — China said Friday that Washington's decision to allow the president of Taiwan to visit the United States was a "belligerent" act against China comparable to the Korean and Vietnam wars. "The United States is playing with fire," the People's Daily, the Communist Party organ, said in a strident editorial.

But President Lee Teng-hui of Taiwan, firing back at Beijing during his American visit, asked for more international recognition for Taipei and said the island "is definitely not a part of the People's Republic of China."

The Beijing editorial said Washington had committed an "extreme act," adding that allowing Mr. Lee's unofficial visit to Cornell University, his alma mater, was "a wanton wound inflicted upon China."

Quoting from the writings of Deng Xiaoping, the paramount leader, the editorial said China had done nothing harmful to the United States, but called the Americans killers.

"The United States aided Chiang Kai-shek in the civil war and thereby killed or injured an unknown number of people," the editorial quoted Mr. Deng as saying.

"After the founding of new China in 1949 the United States still presented a major threat to China," Mr. Deng went on. "The most glaring examples of its belligerence toward China were the Korean War and the Vietnam War."

In a reference to the anti-government demonstrations that were crushed by the army on June 3 and 4, 1989, the newspaper said, "The United States also got deeply involved in the counterrevolutionary rebellion that occurred in Beijing in 1989."

Mr. Lee, in a private meeting with several prominent Taiwanese-Americans at Cornell, in Ithaca, New York, said again that Taipei had no intention of bowing to Beijing's Communist regime.

"The Republic of China is definitely not a part of the People's Republic of China, and neither is it a province of that country," he said, according to his spokesman, Jason Hu.

"Based on that fact, we believe that the 21 million people in Taiwan need proper representation in the international community," Mr. Hu quoted him as saying.

President Bill Clinton met Thursday with China's ambassador, Li Daoyu, but failed to resolve differences arising from the Lee visit, the White House said Friday.

Mr. Clinton took the initiative in arranging Thursday's meeting and in his talks with the envoy "reviewed the subject of the private, unofficial visit of President Lee," said Michael McCurry, the White House spokesman.

Mr. Lee arrived in Syracuse, New York, on Thursday and said his trip to the United States was "a dream come true" in the push to end Taipei's diplomatic isolation.

He was met by Taiwanese well-wishers and three Republican senators: Jesse Helms, chairman of the Senate Foreign Relations Committee, Alfonse M. D'Amato of New York and Frank H. Murkowski of Alaska.

Mr. Lee was then taken by motorcade to Cornell, which had invited him to deliver the keynote address for class reunion celebrations Friday. (Reuters, APF)

## Israel and Egypt Patch Up Differences

By Serge Schmemmann  
New York Times Service

CAIRO — While Secretary of State Warren M. Christopher looked on with satisfaction, the leaders of Egypt and Israel met on Friday and declared an end to a cloudy patch in their relationship.

"There is no problem between us and Israel," said President Hosni Mubarak of Egypt, with Prime Minister Yitzhak Rabin of Israel and Mr. Christopher flanking him under the glittering lights of Mr. Mubarak's presidential palace. "We cooperate so that the peace process will continue."

"Any two countries in the world could have clouds appear over their relationship," he said, adding that those clouds had now dispersed.

The declaration marked an end to many months of diplomatic chill, created in large part by Mr. Mubarak's displeasure over the exclusion of Israel from the Nuclear Nonproliferation Treaty and over the Israeli government intention, later suspended, to expropriate some Arab properties in Jerusalem.

The meeting and reconciliation in Cairo were brokered only over the last week by Mr. Christopher, and they marked an auspicious start for his latest effort to pump up the momentum on all tracks of the search for a Middle East peace settlement. Besides Israel and Egypt, Mr. Christopher will shuttle from his base in Jerusalem to Damascus, Amman and Jericho, the West Bank city where he will meet with Yasser Arafat, the chairman of the Palestine Liberation Organization.

Although Egypt is not technically one of

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## Egyptians Battle Russian Navel Invasion

By Chris Hedges  
New York Times Service

CAIRO — Egyptian belly dancers, condemned by Islamic militants as licentious and scorned by the general public as disreputable, face a new onslaught from Russian rivals, who have invaded the night-

clubs that line the road to the pyramids and crowd the banks of the Nile.

The Russian dancers began to appear in the clubs shortly after the breakup of the Soviet Union. Now, about 100 professional Russian belly dancers are working in Cairo, about a third of all those registered with the morals police, who oversee the shows to make sure they do not become too bawdy. Egyptian belly dancers, famous for their skill throughout the Arab world, say they are increasingly having trouble finding work.

"Before the collapse of the Soviet Union, we used to get the odd foreigner here who tried to belly-dance," said Nagwa Fouad, one of Egypt's best-known belly dancers. "But they never stayed. Now these Russians are everywhere."

Then she added: "A few, who actually studied dance, have good technique, but none of them dance with real feeling. Most

come for the money and work in the lower-class clubs, where customers go not for the quality of the dancing, but the quality of the bodies."

Russian dancers are edging out the Egyptians, in part, because they accept lower pay, often half of the fee Egyptians charge. They are also allowed to gyrate in a more suggestive manner and wear more revealing costumes than the Egyptians. As foreigners, they are not bound by the restrictions imposed by the morals police, who require Egyptian belly dancers to wear mesh coverings over their bellies.

Many Egyptians say that the Russian dancers, by taking jobs from Egyptians, are damaging Egypt's ancient tradition of belly dancing, usually passed down from mother to daughter.

Egypt has many belly dancers — one for

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FOCUSED — Michael Chang eyeing a return to Sergi Bruguera, whom he defeated Friday to set up the final with Thomas Muster in the French Open.

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### AGENDA

#### Japan Won't Join Embargo on Iran

WASHINGTON (NYT) — In a sharp rebuff to the Clinton administration, the Japanese government told Washington on Friday that it would refuse to join its embargo on trade with Iran, and would remain Tehran's largest customer for oil.

White House officials said that they were not surprised by the decision and that they doubted that it was a direct retaliation for the U.S. threat to impose 100 percent tariffs on Japanese luxury cars starting later this month. "They probably would have snubbed us on this anyway," one of President Bill Clinton's senior economic advisers said Friday.

The decision added significantly to the strain between the two countries before Mr. Clinton's meeting Thursday with Prime Minister Tomichi Murayama of Japan, before the start of the economic summit meeting in Halifax, Nova Scotia.

Dow Jones		Nasdaq	
Down	34.58	Down	1.05%
Net	4423.99	Net	120.81
The Dollar		Ft. Price	
Net	1.4053	Previous Close	1.4063
DM	1.5945		1.5945
Pound	84.35		84.345
Yen	4.9465		4.9515

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# In German High Schools, Teaching the Nazi Past

By Alan Cowell  
New York Times Service

BONN — In the tranquility of the Konrad Adenauer High School, no one has to fret about the kinds of things that worry Americans on campus, like guns or drugs, because such things do not happen here, said Heinz Wilms, a history teacher.

Since January, though, he has been ousting his 10th-grade class of 16-year-olds to confront something much more momentous than school-yard discipline: the historical progression from Hitler's rise to power in 1933 to the Holocaust.

It is a course, Chapter 6 in a standard history text, that challenges Germany's young to come to terms with the burden of a past far more cruel and destructive than teenagers anywhere else in the world must contemplate.

And it is part of the attempt by a postwar generation to explain why the past must not repeat itself to those who will one day run Europe's economic and political future. The effort, some educators argue, has visibly faltered in the wake of attacks on foreigners and the rise of neo-Nazi groups since the Berlin Wall fell in 1989.

Yet, in interviews with students, both in Bonn and in a comparable high

school in what was once East Berlin, a clear impression emerged that while many young Germans sense no personal guilt for a past generation's crimes, they feel a responsibility to thwart any revival of racism, anti-Semitism, militarism, and nationalism.

At the same time, though, they share a nagging worry that their own history hampers what they say should be a justifiable sense of pride in their own nation's achievements.

Stefan Boehm, 16, the former East Berlin, commented: "You can't say: 'I'm proud to be a German.' Because now is a German, too, but everything now is seen through the Second World War."

Some seemed uneasy with or skeptical at the government's line that the end of the war in Europe, 50 years ago in May, offered most Germans a liberation from Hitler's tyranny because, some students say, most Germans took part in what happened, one way or another.

In the effort to escape the Nazis' centralization of power, the authorities of the various federal states took responsibility for postwar education, so there is no single standardized curriculum for teaching modern German history. But in 1991, the federal government's educational-monitoring agency

urged that the National Socialists be subject to an "intensive and thorough treatment" in schools and that "the memory of the Holocaust is kept alive."

In West Germany during the first postwar decades, Mr. Wilms said, his

**'We cannot do anything about it — it was our grandparents that did it. But we should not forget it.'**

Barbara Schneider, a 16-year-old student at Konrad Adenauer High School.

tory books were written by Nazi-era teachers, and the urge to repress the past was widespread.

The new text seems to offer a fuller picture. And the chapter on the National Socialist era and the Holocaust, taught to 16-year-olds, enjoins them to ask: "Who knew what? Who participated and who kept their distance and

in what ways were people's dealings and convictions affected by the National Socialist system of dominance?"

The answers seem to offer a broad indictment: "Membership of the Nazi Party promised influence, professional security, a career." While those who said later that they had joined simply to protect themselves and their families, the school book tells young Germans, the reality was that by joining the party, Germans "strengthened the party and the dominance of the Nazis."

No effort is made to discount the Holocaust or the role played in it by individual Germans, the Nazi regime, or German industry. Part of the chapter chronicles the chemical giant I.G. Farben's establishment of a branch called I.G. Auschwitz, near the death camp in German-occupied Poland — a factory making artificial rubber that used camp inmates as laborers and sent them to the gas chambers when they weakened.

"Every student in Germany must tackle this theme," Mr. Wilms said. "No one can say they didn't know."

They are taught that the Nazis came to power on the wings of economic collapse and humiliation at defeat in World War I. They are taught about Hitler's race laws. They are taught that

their forebears killed 6 million Jews. But they also learn that this was history, with a European and a German context, not personal guilt.

"We cannot do anything about it — it was our grandparents that did it," said Barbara Schneider, a 16-year-old student at Konrad Adenauer High School, in suburb of Bad Godesberg.

For most Germans, education about the war begins at home, in sometimes painful encounters. "If you ask your grandparents if they supported the regime, you don't get an answer," said Matthias Fink, a scholar at the same school.

Not surprisingly, a group of 17-year-olds in the Hans und Hilde Coppi Gymnasium, named for anti-Nazi resistance fighters, in the less affluent Karlsruhe district of the former East Berlin had different experiences to recount.

In the depiction of the former Communist education system, said Daniel Hadrtsch, 17, the East Germans, "were all anti-Fascists" while the Nazi mantle "was given to the West Germans."

Their teacher, Roswitha Quirum, was more forthright. "I don't have a bad conscience," she said. "I don't see myself as responsible. But I would be responsible if it happened again."



TWO FOR THE SHOW — The Free Democratic Party general secretary, Guido Westerwelle, making victory signs behind two leading candidates for party leader Friday in Mainz, Germany: Wolfgang Gerhardt, left, and Jürgen Möllemann. Delegates from the local party groups won time for debate before they choose a new leader Saturday.

## 'Partnership': Russians Have Better Things to Do

BRUSSELS — NATO defense ministers met their counterparts from Central and Eastern Europe on Friday, but Russia, the alliance's main Cold War adversary, shunned both old allies and new friends.

NATO's secretary-general, Willy Claes, opened a meeting of 26 countries taking part in the alliance's Partnership for Peace program, designed to enhance security in post-Cold War Europe, with a call for over-closer links.

He called the partnership "one of the most extensive programs of security cooperation ever conceived."

But Moscow, unlike most of its former Warsaw Pact allies and the countries of the former Soviet Union, was one of the few nations not represented by a minister or deputy minister.

Defense Minister Pavel S. Grachev instead accompanied President Boris N. Yeltsin to a meeting in Ukraine. His place

was taken by Russia's ambassador to Belgium, Vitali I. Churkin.

Later, to a scene reminiscent of the era of East-West rivalry, U.S. Defense Secretary William J. Perry cooled his heels at a planned breakfast meeting to which no stand-in turned up.

Senior U.S. officials expressed disappointment that no meeting took place, but said they did not consider they had been snubbed.

## Casino Executive Jailed in Monaco

Police Investigate Alleged Corruption

By Barry James  
International Herald Tribune

In a fresh scandal about the Pastis Belt, a senior management figure has been jailed after a police investigation into alleged corruption at the Monte Carlo casino, the jewel in the business empire of the ruler, His Serene Highness Prince Rainier III of Monaco.

The arrest of Stéphane Giaccardi, secretary of the board of the Société des Bains de Mer, which operates the casino, follows the jailing of the director of a sister company and the conviction of two lower-level employees.

Nice Martin, the newspaper in the neighboring Côte d'Azur city, said the police last week raided the office of Francis Palmiro, the director in charge of gaming at the casino, where the principality's chief prosecutor, Gaston Carrasco, questioned him for two hours. Mr. Palmiro, who has immunity as a state councillor, was questioned after the next day at police headquarters and released, the newspaper said.

In addition to an annual salary of 740,000 francs for introducing Italian clients to the casino, advancing them cash and making sure they paid their gambling debts.

The commissions were allegedly paid by the Société monégasque d'avances et de recouvrements, or SMAR, a kind of collection agency for the casino. Its director-general, Paul Dompé, was jailed last month on fraud charges.

Mr. Liverani, who said he brought 20,000 clients to the casino in 14 years, accused Mr. Giaccardi of being responsible for the commissions scheme.

Monaco has long faced pressure from France over allegations of tax evasion and money-laundering, and there were once fears that the government in Paris would annex the min-state.

## U.S. Welcomes Talks on Air Travel

PARIS — The United States is ready to negotiate with the European Union on opening air travel markets, but the EU must first get a mandate from member states, Transportation Secretary Federico F. Peña said Friday.

"The U.S. will work with any European country or countries, either individually or collectively, where there is a real commitment to prompt and fundamental liberalization of air services with the United States," Mr. Peña said.

A quarrel has blown up since the United States and Britain agreed on a bilateral accord Monday to open up airport access to each other's airlines and dismantle restrictions. Neil Kinnock, the European transport commissioner, has attacked such bilateral deals as undermining the power of the EU to bargain for all member states.

He said Friday that the commission would seek to such agreements declared invalid by the European Court of Justice but that it would not ask countries to renegotiate on deals they had made. Six other EU nations and three countries outside the EU have initiated bilateral treaties with the United States; they are expected to be made formal soon. (Reuters)

## Greece Resolute on 12-Mile Limit

ATHENS — Greece said Friday that it would extend its territorial waters in the Aegean Sea to 12 nautical miles "whenever it sees fit" and criticized Turkey for its recent "threatening words" over the disputed waters.

"Setting the limit for national waters is a Greek national right and enforcing this right belongs to the government," said the government spokesman, Evangelos Venizelos. "Greece has declared that it is willing to exercise this right whenever it sees fit."

He was replying to questions about a resolution passed by the Turkish Parliament on Thursday empowering the government to take military measures against Greece, a NATO ally.

Tension between the two countries has risen since the Greek Parliament ratified the international Law of the Sea Convention last week, which recognizes the right of countries to extend their territorial waters to 12 nautical miles.

Turkey has said that extension of Greece's national waters to 12 miles would be a cause of war and would turn the Aegean into a virtual Greek lake. (Reuters)

## Rioters Burn 3 Schools Near Paris

PARIS — Masked youths set fire to three schools and a gymnasium in a Paris suburb on Friday after a 21-year-old Frenchman of Moroccan origin was killed while fleeing police on a stolen motorcycle.

In a coordinated operation, the attackers torched a nursery school, classrooms in two secondary schools and a gymnasium in Noisy-le-Grand, east of Paris, according to the police. Five cars were also burned and shop windows broken.

Eric Raoult, the minister of integration, who is charged with reducing tensions in working-class suburbs, said: "Fires broke out at regular intervals, lit by people wearing hoods moving very fast. This does not look like a spontaneous movement, but an organized movement." (AFP)

## Norway Flood Cost at \$350 Million

OSLO — Damage from the flood ravaging central and southern Norway will probably exceed \$350 million, making it the country's worst natural disaster in centuries, officials said Friday.

Water continued rising Friday in the Lillehammer area and is not projected to crest until early next week. But rivers have receded in the valleys further north, revealing washed-out farmland and several devastated towns.

"We had an even worse flood in 1789," said Sigbjørn Johnsen, Norway's finance minister. "But this is the largest natural catastrophe in modern times." (NYT)

## Juan Carlos Onganía Dies at 81, Led Argentine Military Junta

New York Times Service

NEW YORK — General Juan Carlos Onganía, 81, a cavalryman who was Argentina's repressive president from 1966 to 1970, died Thursday of a heart attack at the Military Hospital in Buenos Aires.

General Onganía, a former commander of Argentina's cavalry corps and a former army commander in chief, was installed as president by military officers who took power in a coup that overthrew his civilian predecessor, Dr. Arturo Illia, in 1966. Four years later, the tables were turned, and General Onganía himself was ousted, also in a coup, by Argentina's three-man ruling military junta, after unrest among students and workers.

As president, the general moved quickly to buttress his power with repressive measures. In his first year as president, the police moved into the University of Buenos Aires and subdued and drove out faculty members as well as students.

In addition, the Argentine Congress was dissolved and all political groups were declared illegal. The judges of Argentina's supreme court were replaced by military officers, and the press and the arts came under government censorship. General Onganía's aggressiveness generated growing resentment among Argentines. In 1969, rioting by workers and students erupted in Cordoba, and many observers said those riots became a factor in the general's ouster as president the following year.

He told a Monaco court that he had received 15 million to 20 million francs (\$3 million to \$4 million) a year in commissions

from the military. He was charged with a charge of false witness. Judicial sources said Mr. Giaccardi was being held on this relatively minor charge while the prosecutor completed an investigation into allegations of irregularities at the casino involving wealthy Italian clients.

Sources in the principality said the investigation was ordered by the 71-year-old prince himself as a result of reports of rising corruption in the city, which the author Somerset Maugham described as a sunny place for shady people.

In February 1993, a committee of the French National Assembly said Monaco was a leading money-laundering center for the Italian Mafia. This coincided with investigations of mob activity at other resorts along the coast just across from the Italian border such as Nice and Menton.

The Société des Bains de Mer failed to respond to a request for information, or to confirm whether Prince Rainier had ordered an investigation.

Last month, a Monaco court jailed two of the casino's agents, one for 10 days and the other for three months, and ordered their expulsion from the city-state's territory and neighboring regions of France.

Giuseppe Liverani, a public relations consultant, who was given the three-month sentence for using a false document to obtain a residence permit, apparently was involved in a system of hidden commissions.

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## TRAVEL UPDATE

### Labor Dispute Halts All SAS Flights

COPENHAGEN (Reuters) — All Scandinavian Airlines Friday domestic and international flights were grounded Friday, strike and management retaliated with a lockout.

The latest round of negotiations over pilots' pay collapsed Thursday evening, causing the airline to cancel more than 800 flights on international and domestic routes and lock out about 1,600 pilots.

SAS said that negotiations were due to resume in Stockholm on Saturday and warned that if these failed to avert other 24-hour pilot strikes announced for June 12 and June 14, it would impose lockouts and ground all flights. An SAS spokesman estimated that the pilots' action would cost SAS about \$14 million a day.

Nile cruises have resumed in Asyut Province in southern Egypt, ending a 45-day suspension of such trips because of attacks by Muslim militants. Police crackdowns on the militants in Assiut have pushed them farther north into Minya Province. (Reuters)

The seven British airports of BAA PLC handled 7.8 million passengers in May, up 7.1 percent compared with same month last year, the company said. In England, Stansted posted a 12 percent increase; Southampton, 8.8 percent; Heathrow, 6.6 percent; Gatwick 8 percent; In Scotland, Edinburgh was up by 10.6 percent; Aberdeen, 7.6 percent; and Glasgow, 2.9 percent. (AFP)

The use of the name "Eurostar" for the high-speed train between London and Paris constitutes counterfeiting and must be stopped, the Paris Court of High Instance ruled Friday. The chartering company, Eurostar, which registered its name in 1989. The two words sound the same to French speakers, the court noted. (AFP)

## RELIGIOUS SERVICES

- AMSTERDAM**  
CROSSROADS INTERNATIONAL CHURCH (Evangelical), Sun. 10:00 a.m. & 11:30 a.m. / Kids Welcome. De Oudekerk 3, S. Amsterdam. Info: 020-601156 or 020-601159.
- FRANCE/TOULOUSE**  
HOPE INTERNATIONAL CHURCH (Evangelical), Sun. 10:00 a.m. / Info: 056-30-30-30.
- FRANKFURT**  
IF YOU BELIEVE that the Spirit of God dwells in everyone, join others of the mind. Sunday 10:00 a.m. / Info: 069-260-3041.
- KIEV**  
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PARIS and SUBURBS  
THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 a.m. & 11 a.m. / Info: 01-47-26-01-11.
- FLORENCE**  
ST. JAMES CHURCH, Sun. 9 a.m. / Info: 055-23-44 17.
- FRANKFURT**  
CHURCH OF CHRIST THE KING (Evangelical), Sun. 10:00 a.m. / Info: 069-260-3041.
- GENEVA**  
EMMANUEL CHURCH, Tel. 3rd & 5th Sun. 11 a.m. / Info: 01-47-26-01-11.
- LUCERNE**  
AT CHRISTUSKIRCHE Messeturm, Sun. 11 a.m. / Info: 041-21-13 57.
- MUNICH**  
THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. / Info: 089-260-3041.
- ROME**  
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- BUKHAREST**  
I.B.C., Strada Popea Rusu 22, 3:00 p.m. / Info: 021-236-00.
- BUDAPESTI.B.C., meets in Munkacsy Gimnázium, Torontóvár 44-54, Sundays, 10:00 Coffee Fellowship, 10:30 Worship. / Info: 01-250-3532.**
- BULGARIA**  
I.B.C., World Trade Center, 36, Orhan Todorov Blvd. / Info: 021-400 157.
- CELLE/HANNOVER**  
I.B.C., Windmühlenstrasse 45, Celle 1300. / Info: 05141 46416.
- DÜSSELDORF**  
I.B.C. English, Worship and Children's Church, Sundays at 12:30 p.m. / Info: 021-400 157.
- FRANKFURT**  
INTERNATIONAL CHRISTIAN FELLOWSHIP, Evangelisch-Freikirchliche Gemeinde, Sodenerstr. 11-18, 60380 Bad Homburg. / Info: 069-260-3041.
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## Rightists Capture Ontario Election

Voters Toss Out Socialists in Favor Of Party Promising to Cut Taxes

By Anne Swardson  
Washington Post Service

TORONTO — Voters in Ontario, home to one-third of all Canadians, have voted to throw out the province's governing socialists and bring to power a party with one of the most conservative programs in Canada.

The Progressive Conservative Party, under the leadership of Mike Harris, won 45 percent of the popular vote and gained 82 of the 130 seats in the provincial legislature, according to projections by several Canadian television networks.

The Liberal Party followed with 31 percent of the vote and 30 seats, the incumbent New Democratic Party with 20 percent and 17 seats and an independent candidate with one seat.

Mr. Harris, who would take office as Ontario's premier in the next few days, moved to the lead in recent weeks by proposing such American-style measures as a 30 percent cut in income tax rates, "workfare" for welfare recipients, an end to affirmative action and deep cuts in many government programs to balance the provincial budget in five years.

"For those who work and those who employ, we will work to remove barriers to growth in this province," Mr. Harris told supporters in his home town of North Bay as they chanted "Cut, cut, cut" in a reference to his tax proposals.

A Harris victory would mark

a sharp turn away from the socialist New Democratic Party government of Premier Bob Rae, who was elected five years ago amid promises of more spending on child care, education and housing.

Higher government spending and a deep recession increased the provincial deficit to nearly \$13 billion at its peak and forced Mr. Rae to take unpopular money-saving measures. Rather than lay off civil servants, for instance, he imposed 12 mandatory unpaid-leave days for the province's employees.

Mr. Harris's apparent victory is the latest in a series of conservative victories in Canada. In the 1993 federal elections, the Reform Party, which has its roots in the populist West, became the third-largest party in the federal Parliament. Its leader, Preston Manning, was seen as the first Canadian politician to win office by calling for reductions in the budget of a nation historically proud of its generous social safety net.

That election tossed the federal Progressive Conservatives out of power and reduced them to two seats in the House of Commons. The Harris provincial victory, however, may offer them a road out of the wilderness.

Mr. Harris, 50, is a former ski and golf instructor. He and his father owned a ski resort, which, sides say, helped shape his view that high taxes stifle innovation and enterprise.



Mike Harris celebrating his victory in Ontario with his wife, Janet.

## AMERICAN TOPICS

### Nature May Show Insomniacs How to Sleep Like a Kitten

A compound found in sleepy cats may be the substance that could bring natural, drug-free sleep with no hangovers to insomniacs.

"This compound creates a natural, deep sleep, but one from which the test animals could be aroused," said Steven J. Henriksen, a sleep scientist at the Scripps Research Institute in La Jolla, California, in the current issue of Science magazine. "They were not drugged."

Mr. Henriksen said the sleep potion is a natural brain chemical that apparently plays a key role in causing slumber.

"It probably exists in all mammals," he said. The substance is a lipid, a compound that helps cells to communicate within the brain.

He said it could possibly be developed into a pill that would bring sleep to the sleepless without causing the all-too-common next-day symptoms of grogginess, headache and exhaustion.

### Short Takes

A father-son robbery team in Wisconsin, James Oswald, 50, and his son Theodore, 19, were sentenced to life without possibility of parole for a bank robbery and shootout in which a policeman was slain. Circuit Judge Lee S. Dreyfus specified that the Oswalds must spend their lives in separate prisons.

In Concord, New Hampshire, District Court Judge Alfred J. Cirone Jr. dismissed assault charges against Michael A. Towne, 20, a restaurant cook accused of spiking the ham-and-eggs "Moon Over My Hammy" sandwiches of two Vermont state troopers with Tabasco sauce and causing them burning mouths and stomach pain. The judge said that although it would be a crime to put dangerous material, like broken glass, in the sandwiches, Tabasco sauce did not count — especially since one trooper devoured

his entire sandwich and the other ate most of his. Judge Cirone said a civil suit would be the appropriate remedy.

In an effort to reduce the pigeon population around Times Square, New York City authorities are warning pigeon feeders to cease and desist or face fines as high as \$250. The sanitation department also has stationed a plastic owl on a sidewalk planter, since owls are pigeon predators. Christine Sheppard, curator of birds at the Bronx Zoo, holds out scant hope for the efficacy of the phony owl. "Hilarious," she said. "These birds are not stupid. In order to survive in the wild, pigeons have to be aware of predators. Any bird that sits still for 24, 48, 96 hours, they know is not dangerous."

The actress Janet Leigh, now 67, long ago revealed that ever since her character was stabbed to death in the shower in the 1960 film "Psycho," she has taken only tub baths. She added recently that her bloodcurdling screams in the murder scene were simply good acting. She denied a long-standing rumor that the director, Alfred Hitchcock, got her to scream by shutting off the hot water.

International Herald Tribune.

## POLITICAL NOTES

### Pulling the Plug at Energy

WASHINGTON — House Republicans have outlined their plan to dismantle the Energy Department by shifting the government's nuclear weapons complex to the Defense Department, selling oil reserves and creating an independent commission to assess the future of the department's 30 laboratories.

"There is no more reason for a Department of Energy than there is for a Department of Automobiles," said a Republican freshman leader, Sam Brownback of Kansas. Representative Todd Tiahrt of Kansas, who led the task force on the Energy Department, estimated the cabinet elimination would save \$20 billion over five years.

The proposal would create an independent civilian agency at the Pentagon to manage the nation's nuclear arsenal and the cleanup of radioactive and toxic waste at old bomb factories and research sites. The Republicans also would sell off five federal power agencies that provide cheap power to industry and citizens, including the Bonneville Power Administration in the Pacific Northwest, as well as the Naval Petroleum Reserve and parts of the Strategic Petroleum Reserve.

### Senate Aims at Term Limits

WASHINGTON — The leader of a Senate Republican task force that proposed rules to strengthen party discipline says additional changes may be made to include imposing term limits on Senate leaders as well as heads of committees.

Support for some kind of leadership term limits — similar to those imposed by the House on its speaker earlier this year — emerged during a closed-door meeting of Republican senators to begin discussion of the plan, which is aimed at enforcing more party unity and decreasing reli-

ance on seniority as a way of choosing committee chairmen.

The effort grew out of the furor last March over the refusal by the Appropriations Committee chairman, Mark O. Hatfield of Oregon, to support the balanced budget constitutional amendment and an abortive attempt by some conservatives to strip the veteran Republican moderate of his chairmanship. (W/P)

### U.S. Dodges on Gay Rights

WASHINGTON — With President Bill Clinton's backing, Attorney General Janet Reno has announced that the Justice Department will stay out of a major gay rights test case before the Supreme Court over Colorado's ban on extending discrimination laws to homosexuals.

Ms. Reno's decision, administration officials said, followed an extended and vigorous debate within the White House over whether entering the fight on behalf of gay rights advocates carried a political cost for Mr. Clinton. Ms. Reno said the Justice Department decided against entering the case because there was no federal issue at stake.

The decision infuriated gay rights activists, some of whom warned that Mr. Clinton risks losing a community that was an important fundraising ally when he ran for president in 1992 but has become disillusioned. (W/P)

### Quote / Unquote

Vaclav Havel, president of the Czech Republic, the keynote speaker at Harvard's 344th commencement ceremonies: "Many nations, or parts of them at least, are struggling against modern civilization, for the right to worship their ancient gods and obey the ancient divine injunctions. They carry on their struggle using weapons provided by the very civilization they oppose." (AP)

## Cuba Arrests Vesco But May Expel Him

By Steven Greenhouse  
New York Times Service

WASHINGTON — The Cuban government has arrested Robert L. Vesco, who fled the United States in 1973 to avoid swindling charges, and has approached Washington about returning him to the United States, according to Clinton administration officials.

The United States has sought the financier's extradition for years, an anti-fraud campaign that began with swindling mutual fund investors of \$224 million.

American officials said they did not know what crimes Mr. Vesco had been charged with in Cuba. But they said they suspected he was arrested partly to cultivate goodwill with the United States as Havana seeks to improve ties and persuade the Clinton administration to ease the economic embargo.

"He was arrested in connection with things he did in Cuba, not to things he did in the United States," said an administration official, who confirmed Mr. Vesco's arrest.

Mr. Vesco, 59, has been living in Cuba since the early 1980s, and federal prosecutors have said they suspected that he was involved in the drug trade since about that time. In 1989, he was added as a defendant in a narcotics conspiracy in Jacksonville, Florida, accused of persuading Cuba to allow planes carrying cocaine to pass over the island on the way to the Bahamas.

When Mr. Vesco fled the United States more than two decades ago, he began a great fugitive saga, which was marked by continuous guessing as to his whereabouts. He was charged with skimming huge sums from a Geneva-based mutual fund, Investors Overseas Services, and he was also under indictment for making an ille-

gal \$200,000 campaign contribution to President Richard Nixon.

Justice Department officials said Thursday night that the U.S. government had recently received an inquiry about the possible transfer of Mr. Vesco to the United States.

A law-enforcement official said the government was still gathering information about the overtures. At the moment, he said, "no negotiations are under way" for the return of Mr. Vesco to the United States.

American officials said that over the years there had been many reports that Mr. Vesco might soon be sent back to the United States.

One American official said the administration was certainly happy about Mr. Vesco's arrest, but he was reluctant to discuss the case for fear of spoiling talks with Cuba about Mr. Vesco's possible return.

When Mr. Vesco fled the United States, he first went to the Bahamas, but then was granted asylum by Costa Rica. He lived there for five years but was expelled when the government there changed. He is believed to have returned to the Bahamas. Cuban officials acknowledged in the 1980s that Mr. Vesco had moved to their island in 1982.

At the time, Cuban officials insisted that they had not granted entry to Mr. Vesco for him to engage in drug smuggling or to help import American goods in defiance of the trade embargo. They said he was admitted because, in supporting his wife and two daughters, he was pumping a great deal of money into the Cuban economy.

Although the swindling charges go back more than 20 years, the statute of limitations does not apply to Mr. Vesco because he had been indicted then and has not been tried.

## Away From Politics

• A jury has been seated in Miami for the trial of a man accused in the 1993 slaying of a German tourist, Leroy Rogers, 25, is charged with the first-degree murder and strongarm robbery of Barbara Meller-Jensen. Another panel will hear the case against a co-defendant, Anthony Williams, 20. Opening statements were scheduled for Monday. (AP)

• A DC-9 jetliner caught fire on takeoff in Atlanta, forcing all 60 people aboard to evacuate and injuring 7 people. ValueJet Airlines Flight 597 was carrying 55 passengers and 5 crew members when an engine caught fire as the jet began to taxi down the runway. The pilot stopped the flight after a warning light indicated that the right engine was on fire. Three flight attendants and four passengers were hurt. One of the crew members had burns over about 30 percent of her body and was in stable condition, officials said. (AP)

• A New York City police officer has resigned and two others have been suspended over a drunken spree in a Washington hotel, during which officers there for a May 15 ceremony to honor colleagues killed in the line of duty groped women, set off fire alarms and ran naked in front of hotel guests. The three officers were the first to be disciplined over the incident. Investigators have interviewed hundreds of New York police officers who were in Washington for the ceremony. (AP)

• Several tornadoes struck the western Texas city of Pampa, damaging dozens of homes in a 45-block area in the city of 20,000, cutting electrical and telephone service, and injuring at least five people. A warehouse was destroyed and a tractor-trailer was overturned. (AP)



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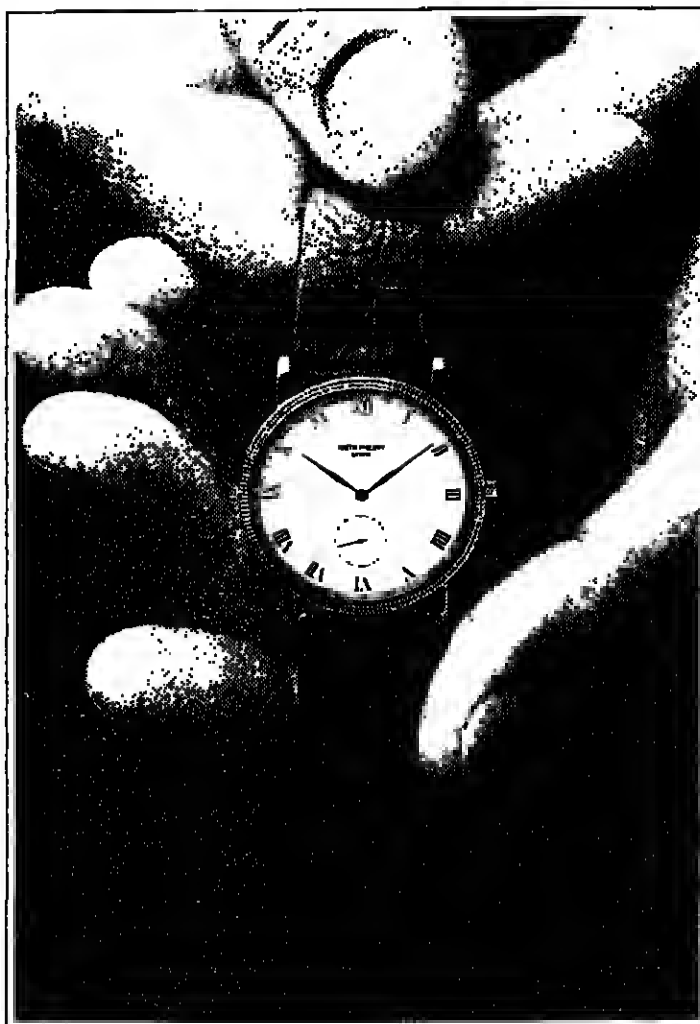
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# Cuban Army's New Role: Farming

By Larry Rohter  
New York Times Service

HAVANA — With Cuba in an economic and ideological crisis over the worldwide collapse of communism, the role and responsibilities of the Cuban armed forces have been expanding rapidly, while those of the Communist Party have been sharply declining.

Diplomats and economists here estimate that units of the army, which has traditionally been one of President Fidel Castro's principal pillars of support, are now producing and distributing between a quarter and a third of the country's food supply.

The military has also set up highly profitable tourism, construction and retailing companies of its own, and officers have been put in charge of many state enterprises in an effort to reduce corruption and inefficiency.

At the same time, more veterans of the Revolutionary Armed Forces with close ties to Fidel Castro, the minister of defense and the president's younger brother, apparently are being moved into party posts, especially in the provinces.

The state news media have been filled with praise for Cuba's 180,000 soldiers as examples of revolutionary rectitude and competence.

This enhanced role for the military reflects a corresponding decline in the fortunes of the Cuban Communist Party, which has seen many traditional levers of control slip out of its hands.

"The reality of Cuba in 1995 is that the military is one of the few, if not the only, institutions that really and truly work," a Latin American diplomat here said. "Revolutionary fervor has vanished, and with it the credibility of the party, leaving only

the armed forces to fill the vacuum."

The increased importance of the armed forces has also meant greater prominence for Raúl Castro, who is also first vice president. The younger Castro, who is 63, is described by foreign diplomats and Cuban officials alike as fiercely loyal to his brother but distressed by the country's mounting economic and political problems and somewhat willing to deviate from Marxist-Leninist orthodoxy.

"His officers all have families," a diplomat here said, and they are experiencing the shortages of food, fuel and consumer goods that have afflicted the Cuban economy since the collapse of the Soviet bloc in 1989.

Said another diplomat, "He is aware of the situation on the ground in a way that Fidel is not and realizes that some changes have got to be made."

The army's higher profile over the last year can be traced to a widely quoted remark that Raúl Castro made in July, just before 32,000 Cubans left the country on rafts, trying to reach the United States. "Beans are more important than cannon," he said in a speech that was regarded as acknowledging the state's need to adopt a more pragmatic approach.

Soon afterward, Cuba announced a new system of "armers' markets," with Raúl Castro and other military officials reportedly taking a direct role in their organization. Cuban consumers and officials say soldiers delivered or sold more than three-quarters of the fruits and vegetables initially available at the markets.

But since the end of the Soviet Union and Cuba's loss of subsidies of up to \$5 billion a year, the production and distribution of food have been among Cuba's most severe problems and a source of popular unrest.

"Our specific task is defense, but defense includes everything," Raúl Castro said in an interview with the Communist Party newspaper Granma after the refugee crisis ended. "Right now it involves providing food for our people, which along with sugar production has been designated by our commander in chief as the main strategic task."

According to diplomats, the number of conscripts in special units called the Youth Labor Army, assigned to plant and

harvest basic foods, has increased sharply as a result. To prevent theft, which has become more of a problem than ever, soldiers also guard food shipments from the countryside to the cities.

In an interview in December, Carlos Lage, Cuba's top economic official, said the farmers' markets had been strongly "pushed by Raúl, but with the support of Fidel." He said the defense minister has "had a very important role in the experience of the Revolutionary Armed Forces and in bringing that experience into the civilian realm."

Even before the farmers' markets were started, the Cuban military had moved into several other highly profitable business ventures. One is a construction company that has won lucrative contracts for hotels and beach resorts and is involved in several industrial and public utility projects.

The best known military enterprise is a large tourist agency known as Gaviota, or sea gull, which reportedly got its start managing recreation centers for Soviet troops stationed in Cuba.

From that humble beginning over a decade ago, Gaviota is now involved in virtually every aspect of tourism in Cuba, including luxury hotels, hunting preserves, marinas, spas, bus tours, fishing excursions, a large taxicab fleet and airplane flights.

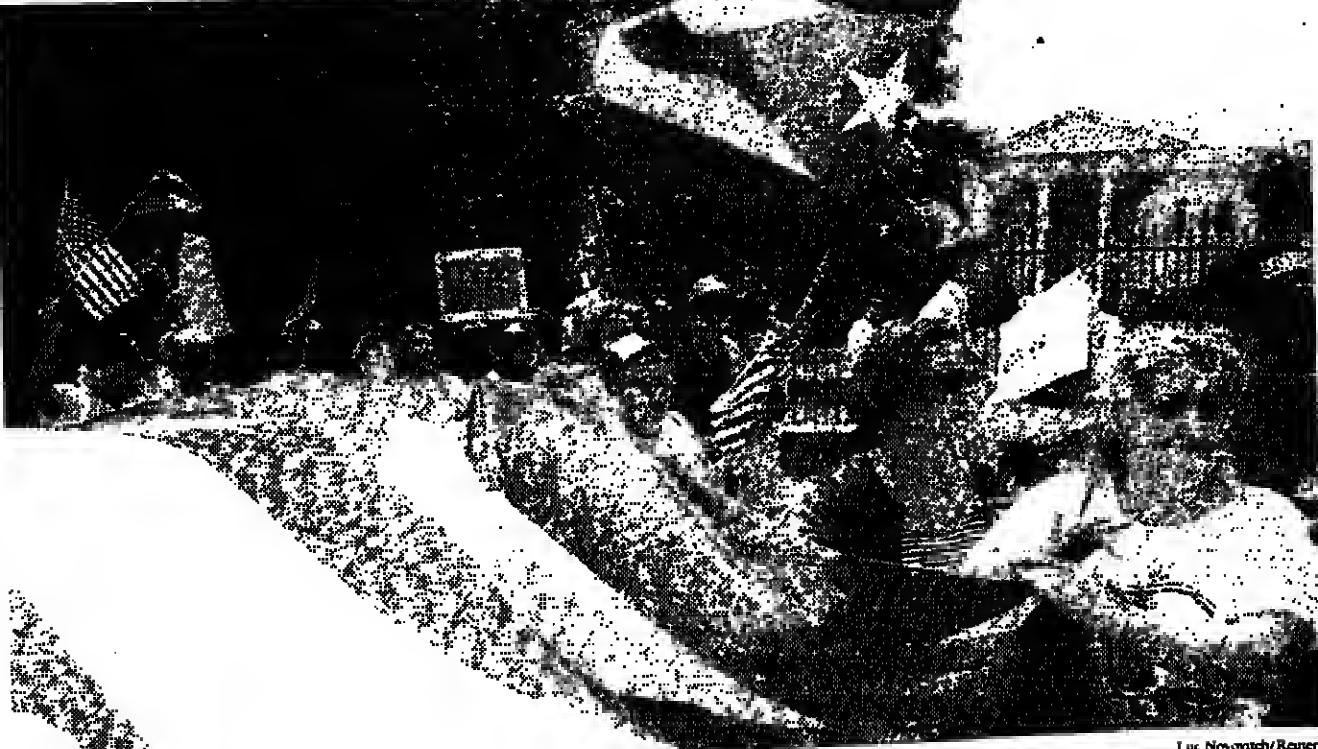
To soak up the dollars entering the country, the military also operates a chain of department stores, called TRD Caribe, that sell expensive imported goods, mostly to foreign visitors. TRD stands for "tiendas de recaudación de divisas," or "stores to collect foreign currency."

## Rescue Efforts Halted In Russian Earthquake

The Associated Press

MOSCOW — Rescuers stopped looking for bodies in the rubble of a remote town on Friday, nearly two weeks after a major earthquake destroyed the Sakhalin Island community of Neftegorsk.

Authorities in Moscow revised the death toll in the quake, saying that 1,841 bodies had been recovered. An undetermined number of others died after being taken to hospitals.



CUBAN EXILES MARCH — Protesters rallying outside the White House against U.S. policy to return refugees to Cuba.

## Cyprus Discloses Role In U.S. Nuclear Sting

Reuters

NICOSIA — The authorities in Cyprus said Friday that they had taken part in a sting operation by U.S. agents to seize two tons of zirconium, a metal used in nuclear reactors, that had originated in Ukraine.

In New York on Thursday, U.S. customs officers and federal agents arrested three Greeks on suspicion of dealing in the metal that was believed stolen from strategic reserves of the former Soviet Union.

U.S. officials announced the discovery of five tons of zirconium in a New York warehouse, calling it the largest haul of nuclear-related material in the United States, and an additional two tons in Cyprus.

A U.S. Customs Service official said in New York that the zirconium had come from Ukraine. He said undercover agents from the U.S. government had posed as representatives of the Iraqi government to negotiate with the three men over a year.

U.S. officials did not implicate Baghdad in the affair. Officials in Iraq were not available for comment on Friday.

Baghdad-based diplomats were concerned that the Iraqi government would view the U.S. sting operation as an attempt to tarnish the image of the Iraqis and prolong UN sanctions imposed against Baghdad for its 1990 invasion of Kuwait.

A Cyprus government spokesman, Yiannakis Cassoulides, said in Nicosia that Cypriot customs officials had seized two tons of zirconium that had arrived on May 25 at Larnaca airport on a commercial flight from Amsterdam.

Zirconium, a very strong, malleable silver-gray metal, is used in nuclear reactors as a cladding for nuclear fuel. Jewelers also use it to make synthetic diamonds and its import into Cyprus is not illegal.

## Autopsy Photos Shock Simpson Jurors

Los Angeles Times Service

LOS ANGELES — Ronald Lyle Goldman, whose death has loomed for months in the background of the murder trial of O.J. Simpson, has re-emerged in testimony and photographs as jurors recoiled at pictures of the face of his corpse.

The shock and horror of the autopsy photographs, which jurors at first had seemed to be adjusting to, appeared to overwhelm several of them Thursday. After breaking to allow one upset juror to leave the courtroom carrying a bandkerchief — and after expressing concern for the obviously distraught Goldmans — Superior Court Judge Lance A. Ito called off the session almost two hours early.

Testifying for the first time about Mr. Goldman's injuries, Dr. Lakshman Sathiyavagiswaran told the jurors that the victim was stabbed and slashed to death and that all those wounds could have been caused by a single knife.

Two of the cuts, he added, appeared to have been the result of Mr. Goldman's assailant drawing the knife across the victim's throat threateningly while holding him still — a brutal and chilling scenario acted out in front of the jury.

"You can see this type of injury when somebody is immobilized," the coroner said, "and you are threatening to do bodily harm to them."

Although some of Mr. Goldman's wounds suggest that he put up a fight, the young man probably lost strength as cuts to his throat, lung and elsewhere robbed him of blood pressure and vitality, Dr.

Sathiyavagiswaran said. Eventually, Mr. Goldman succumbed to the ferocious assault, slumping near a fence outside the condominium of Nicole Brown Simpson, the other victim and former wife of the defendant.

Later, the coroner added that the attacker delivered several sets of potentially lethal blows, causing bleeding in various vital parts of Mr. Goldman's body.

"Without medical treatment," the doctor said, Mr. Goldman "would have died within five minutes."

Earlier in the day, jurors had appeared to grow numb to the litany of autopsy photographs and descriptions, listening carefully and attentively as Dr. Sathiyavagiswaran testified about more injuries to Nicole Simpson.

But when the coroner turned to the depiction of Mr. Goldman's fatal wounds, the display of the photographs, some of which depict the victim's head and face, immediately stunned the panel.

The testimony was interrupted briefly when a 37-year-old woman, long considered one of the jury's more emotional members, signaled that she needed a break and was excused. After waiting for her for several minutes, Judge Ito eventually decided to halt the proceedings.

The Goldmans were even more overcome. Bracing for the photographs to be introduced, Mr. Goldman's father, sister and stepmother had pressed close together and joined hands. A member of the prosecution team handed them tissues, which

they clutched as Dr. Sathiyavagiswaran began to testify about the injuries.

When he described the wounds to Mr. Goldman's neck, Fred Goldman, the victim's father, began to sob heavily. When the coroner said that Mr. Goldman might have been able to live had he gotten immediate medical care for his injuries, Fred Goldman dropped his chin to his chest, tears streaming openly but silently from his bowed head.

For his part, Mr. Simpson seemed far less disconcerted than when the testimony centered on the injuries to his former wife. Thursday afternoon, the defendant watched the coroner as he testified, in contrast to Mr. Simpson's refusal even to glance toward that side of the courtroom when the fatal blows to Nicole Simpson were described.

Mr. Simpson has pleaded not guilty to the June 12, 1994, slayings of his ex-wife and Mr. Goldman.

The panelists on hand for Thursday's session included the 12 jurors and two alternates left after this week's latest jury shuffle.

On Thursday, sources said the turmoil that has surrounded the jury for months has at least temporarily subsided.

One juror has been under investigation for possibly failing to disclose a past allegation of domestic abuse. But sources close to the case said that while the juror had been accused of domestic violence, the allegation was raised in the course of his divorce and never was formally presented to him.

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## Russia and Ukraine Resolve Bitter Feud

### Pact Divides Black Sea Fleet

By Steven Erlanger  
New York Times Service

MOSCOW — The leaders of Russia and Ukraine signed an agreement on Friday that should conclude their bitter dispute over the Black Sea Fleet, improving relations between the two most important countries of the former Soviet Union.

It is a measure of how much the world has changed that the two presidents, Boris Yeltsin of Russia and Leonid D. Kuchma of Ukraine, had their meeting at an American-run hotel, the Radisson-Lazurnaya, in the Russian Black Sea resort of Sochi.

The issue of the Soviet Black Sea Fleet and its base in Sevastopol, Crimea, has done much to fan nationalist tensions between Moscow and Kiev since the Soviet Union collapsed in 1991. The fleet is both small and old, with the newest of the 635 vessels built 17 years ago. So the issue was always more political than strategic, with Ukraine eager not to sacrifice its newly sovereign rights to a Russia that has historically patronized Kiev.

For a time, vessels flew under the flags of both countries, but since Moscow paid the bills, commanders nearly always obeyed Moscow's orders, creating a dangerous series of incidents and fistfights.

The matter was complicated by the strange history of Crimea, a Russian resort and naval base that was handed to Ukraine as a meaningless gesture of friendship in 1954 by the Soviet leader Nikita S. Khrushchev. The new border lost its meaninglessness after the breakup of the Soviet Union, and Russian nationalists regularly demand that Crimea be returned to Russia, along with the fleet and the base.

In the end, after numerous previous agreements fell apart, the two countries agreed on Friday to split the fleet in principle, while Russia then "purchases" most of the Ukrainian share, ending up with 82 percent of the vessels.

Russia will continue to use the existing base and its infrastructure at Sevastopol, paying rent to Ukraine, mostly in the form of energy supplies and debt forgiveness.

Parts of the large base in Sevastopol for its small fleet, which has become its navy.

Exactly where Ukraine's main base will be is yet to be announced, though a Yeltsin aide, Yuri Buturin, said it had been decided but left out of the final document.

"It would have been unethical if sovereign Ukraine had the whereabouts of its navy headquarters determined in a bilateral document," Mr. Buturin said, stressing that the decision, however, had been made bilaterally.

A happy Mr. Yeltsin said: "Today, we, Leonid Kuchma and I and the two delegations, finally put a period on this question once and for all." He said the deal opens the possibility for a larger Russian-Ukrainian treaty of friendship and cooperation, long delayed.

Mr. Kuchma, more careful, added: "Although some detailed issues remain, I consider this question solved in general." The two presidents then exchanged a traditional round of hugs and three kisses, and made the rather dubious promise to meet each other monthly, while their prime ministers also meet monthly. Their July meeting is scheduled to be in Crimea, Mr. Kuchma said.

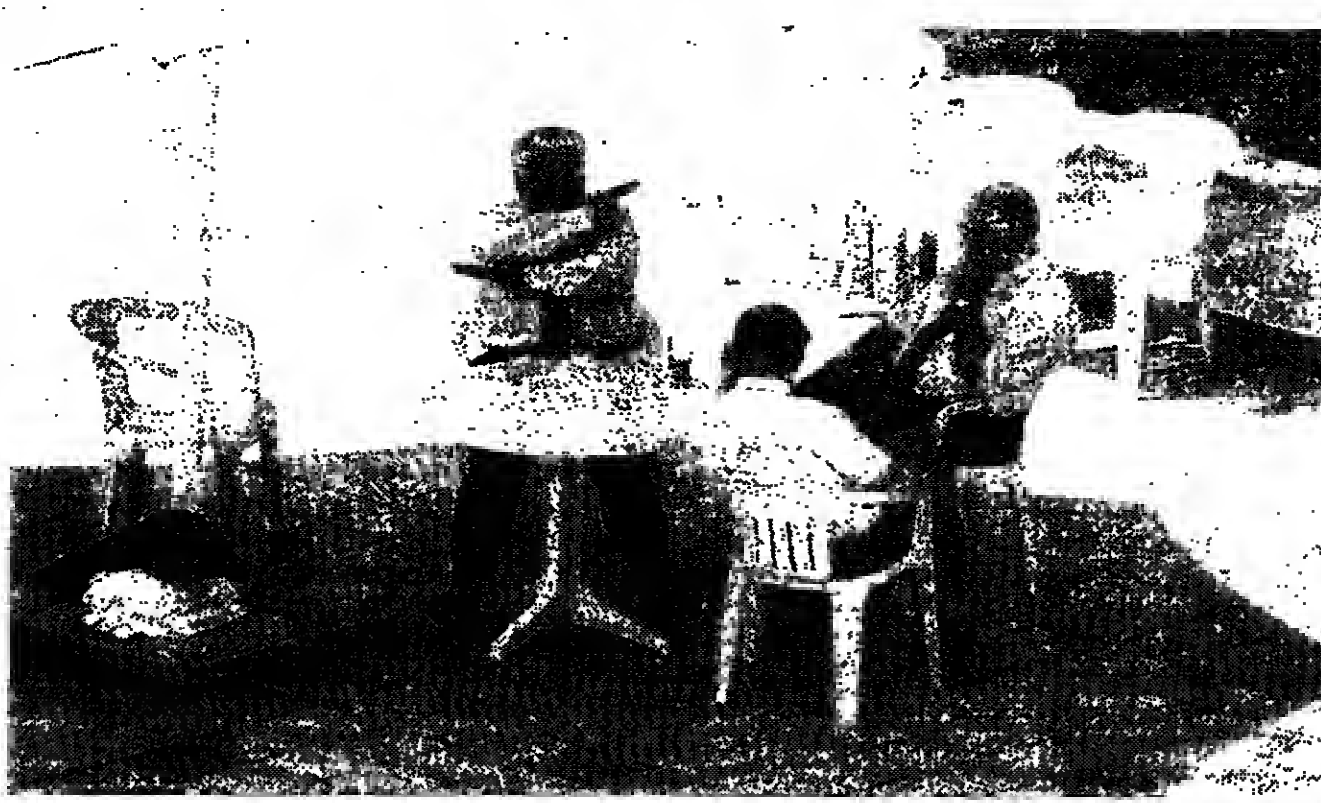
Mr. Kuchma, an ethnic Russian from eastern Ukraine, defeated Ukraine's first president, Leonid D. Kravchuk, in a bitter election campaign that centered on economics and relations with Russia. Despite the worries of Ukrainian nationalists, Mr. Kuchma has strengthened himself by standing up for Ukrainian sovereignty.

Mr. Kuchma has also introduced economic change and budget discipline. He has pushed through the ratification of a key arms control treaty, gotten Moscow to reschedule much of Ukraine's \$3 billion

debt for gas supplies, and, most importantly, perhaps, has forced his legislature to grant him broader powers to appoint the government, issue decrees and pursue economic change.

Recently, he used the example of Russia's crushing of its secessionist region of Chechnya to disband a secessionist president and legislature in Crimea. While controversial, Mr. Kuchma's strong action to keep central Ukrainian sovereignty over Crimea is regarded as a necessary backdrop to his ability to sign the agreement Friday with Russia on the Black Sea Fleet.

For Russia, the gains are also considerable. Moscow intends to reassert its power in the Black Sea as a counterpoint to Turkey, which has had ambitions in Central Asia.



Boris Yeltsin, left, meeting with Leonid Kuchma, center, and Prime Minister Viktor Chernomyrdin of Russia in Sochi.

## Serbs, Breaking Pledge, Hijack UN Food Convoy

By John Pomfret  
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Serbian forces confiscated a convoy of United Nations aid bound for the isolated Muslim enclave of Zepa on Friday, a day after Serb leaders promised to let UN aid move along their roads, UN officials said.

The convoy, carrying about 60 tons of food, disappeared Friday near the Serb-held town of Rogatica and its drivers, some of them Russian, lost contact with the UN, a senior UN official said. The official said the Serbs took the convoy because they claimed ammunition had been found in a sack of flour although the convoy had been checked before it left UN warehouses in Belgrade.

"We don't know where it is," the official said. The senior UN official said the Serbs move to grab the convoy indicated that they could not be trusted to keep their promise that UN aid could move along their roads to isolated Muslim areas, such as Zepa, Sarajevo, Srebrenica, Gorazde and Bihać.

"Maybe it's a good thing," the official said, "because this shows what it means to make agreements with the Serbs. The clear-sighted people see what needs to be done in Bosnia. Maybe we'll muddle a little bit more and keep the peace if that's what we call it, but then an explosion will come."

The Zepa convoy was an important test case of the Serb commitment made on Thursday in Pale. Senior UN officials from Zagreb went to the Serb stronghold 16 kilometers (10 miles) east of Sarajevo to negotiate with the Serbs despite the fact that the Serbs still hold 145 UN soldiers hostage. The UN commander in Bosnia, Lieutenant General Rupert Smith, has said he would not negotiate until all the hostages are released. His superiors in Zagreb, specifically the top UN diplomat, Yasushi Akashi, and General Bertrand Janvier, broke ranks with him and their envoys came home Thursday with a deal.

By agreeing to open their roads to UN aid, specifically to Sarajevo, the Serbs acted to head off whatever international pressure remained to forcibly open roads in to the Bosnian capital and to other

isolated Muslim communities in Bosnia. More than 250,000 people live in Sarajevo, 110,000 in the three besieged Muslim enclaves in eastern Bosnia, and 180,000 in Bihać, northwestern Bosnia.

In neighboring Croatia, Serb warplanes bombed Croatian forces near the breakaway Serb capital, Knin. Croatia's president, Franjo Tudjman, responded by threatening widespread attacks against the Serbs if they did not rejoin Croatia voluntarily by October.

The air attack, which originated from an airfield that was bombed without effect by NATO planes last November, marked a significant escalation in tensions between Croatian forces, who have taken high ground in Serb-held territory along the Bosnian border, and the Croatian Serbs.

White House Spurns Bosnia on Embargo  
Bosnia's prime minister, Haris Siladzic, urged the United States on Friday to end the Bosnian arms embargo, calling it "an instrument of genocide," but

## For Pilot, The ABCs Of Survival

By Dana Priest  
Washington Post Service

WASHINGTON — After his F-16 was hit by a Bosnian Serb missile, Captain Scott F. O'Grady parachuted to the ground with sophisticated military training in his head and a special "evasion chart" in his vest pocket.

Made of waterproof, tear-resistant lightweight material, the 3-foot-by-5-foot (1-meter-by-1.5-meter) map of northwestern Bosnia doubled as a survivalist how-to manual.

Typed on the margins was advice that might have helped keep Captain O'Grady alive during his six days on the ground in Bosnian Serbian territory, notably a list of local edible plants: wild onions, common dandelions, licorice root, nettle. It included cooking and do-it-yourself instructions. For nettle, for example, "Eat the young leaves after boiling. Cooking neutralizes the plant toxins. Fibrous bark of the mature plants can be twisted and braided into a strong twine."

Basic to the air force's Survival, Evasion, Rescue, and Escape training had prepared Captain O'Grady, the evasion chart was itself also a piece of survival equipment.

It reminded him that "other uses for this map" include: to catch rain for drinking water, for shade from wind and rain, to haul water or food, to line a hole or depression for storage, to wrap clothing, as an extra layer of clothing, to split a broken wrist, and to plug a chest wound.

But perhaps the most important thing he had, said Lieutenant Colonel John Chapman, commander of the Joint Services Survival, Evasion, Rescue and Escape Agency, was the will to survive.

"It becomes a mind game," said Colonel Chapman. "You're only limited by your imagination." As part of his training in survival, Captain O'Grady had been left cold and hungry in the mountains of northeast Washington state, near his home in Spokane. During the three-week course, he learned to eat black ants and grasshoppers (to be singled first to remove bacteria), to bounce the sun's rays off a mirror and onto a target and to make tools from branches and shelter from earth.

He learned how to relieve boredom and keep his hopes up. He was taught "to think positive things," said Colonel Chapman.

"He learned his lessons well and then executed his lessons when it mattered most," said Admiral William Owens, deputy chairman of the Joint Chiefs of Staff.

## POLICY: House Vote on Arms Embargo a 'No-Confidence' Sign on Bosnia

Continued from Page 1

istration's case for rejecting a unilateral end of the embargo. In an impassioned speech, Mr. Hamilton said such a move would put "Americans right in the middle of the hottest war in the world today — a very, very unwise move."

Reflecting administration thinking, he said that the lifting of the arms embargo would be opposed by America's allies, particularly Britain and France, and would lead automatically to a collapse of the UN peacekeeping mandate. That in turn

would lead to the dispatch of 25,000 U.S. troops to extract the peacekeeping troops, with America assuming responsibility for arming the Bosnian Muslims. This would "Americanize the war," he argued.

This reasoning has now been rejected by a clear majority of congressmen, who argue that there is no peace left to keep in Bosnia, and that the withdrawal of the UN force can hardly make the situation worse.

Mr. Siladzic also argued the case for lifting the arms embargo in an appearance before the Congressional Commission on

Security and Cooperation in Europe. He rejected administration arguments that such an action would result in an unstoppable Serbian offensive.

"If friends supply us with arms, we will solve the problem

ourselves," Mr. Siladzic said. The House resolution is likely to increase the pressure on Bob Dole, the Senate majority leader, to push ahead with his own repeatedly delayed bill on lifting the arms embargo.

## DANCE: Can't Stomach Russians

Continued from Page 1

each 5,000 residents by some estimates — but most of them are not professionals and perform only at weddings or small parties.

One professional Egyptian belly dancer, her eyes ringed with black swaths of mascara, her fingers covered with gold rings and her lips smothered in dull, maroon lipstick, sat smoking a cigarette shortly before heading into a ballroom to perform at a wedding. The dancer, who refused to give her real name, said she had an average of five shows an evening before the arrival of the Russians. She now has one or two.

"They do things we Egyptian dancers would never do, like perform in a bikini," she said. "They twist and move in vulgar ways and call it belly dancing, degrading our art. And the owners of the clubs like them because they can introduce them to the customers."

The Russians pour just as much invective on the Egyptians. Yelena Ramazonova, a 27-year-old dancer from Siberia and a former ballerina, sat with her manager in the coffee shop

of the Shcherazade Hotel at 4 A.M. on a recent day, after her performance in the King's Night Club. Miss Ramazonova, who dances under the name Lena, is one of the best Russian belly dancers in Cairo. She performs each night with an Egyptian singer, Kamal Shahawi, and his 13-piece band.

"The Egyptian belly dancers are heavier, and at first I tried to gain weight," she said. "But a dancer has to be lithe and agile. The Egyptians are often jealous of us because we have studied dance — we are really dancers."

Mr. Shahawi added that top Egyptian belly dancers, who can earn up to \$5,000 for a performance, often expect to overshadow both the band and the singer.

All Youssef, one of the managers of the Lotus night club, just off Pyramids Road, said, many managers also liked the Russians because "they come on time and are not too demanding."

"The Egyptian belly dancers cause us problems," he said. "When the Saudis throw money at the Egyptians they don't want to leave the stage. We have to drag them off."

## MIDEAST: Differences Settled

Continued from Page 1

those tracks, having made peace with Israel 18 years ago, American officials said the clouds over the first and most important of Arab-Israeli relationships had cast a shadow over the entire process.

"Today's meeting reflects a rejuvenation of the Israeli-Egyptian partnership, a partnership that is so vital in the development of peace, cooperation and stability here in the Middle East," Mr. Christopher said at the joint news conference.

A senior administration official said the reconciliation was especially important in advance of Mr. Christopher's meetings over the next two days with the leaders of Syria, Jordan and the Palestinians. "One thing we have learned in the Middle East is that part of our task is to remove pretexts" for stalling, the official said.

The most sensitive of Mr. Christopher's meetings in his four-day mission will be in Damascus on Saturday with President Hafez Assad of Syria, which alone among Israel's major Arab neighbors has yet to reach an agreement with Israel.

Last month, the United States brokered an agreement between Syria and Israel to open talks between senior military experts in Washington by the end of this month, and Mr. Christopher is flying to Damascus on Saturday to discuss details of the meetings and to bolster Mr. Assad's resolve.

Mr. Christopher and his aides have cautioned against building excessive expectations in what is certain to be a protracted and complex negotiation. The central issue is how to end Israel's 28-year occupation of the Golan Heights, a strategic plateau Israelis consider critical to their security, and the Syrians insist on recovering.

## In EU's Deadlock, A North-South Rift Over Foreign Aid

By Tom Buerkle  
International Herald Tribune

BRUSSELS — The European Union has hit a deadlock in defining its foreign-aid priorities because of divergent strategic interests and a shortage of money to spread around, officials said Friday.

Despite months of negotiations, the permanent representatives of the 15 EU members failed to agree this week over how to apportion financial assistance to the countries of Eastern Europe, the chief objective for Germany, and to the Mediterranean region and poor countries of Africa, the Caribbean and the Pacific, which France is championing.

The blockage highlighted a broad rift between northern and southern EU members that is making it difficult for Europe to develop a common foreign and security policy.

The subject was on the agenda when President Jacques Chirac entertained fellow leaders at the Elysee Palace on Friday, but EU officials saw little prospect of a breakthrough. That raises the prospect of a funding clash at the EU meeting June 26 and 27 in Cannes. France has promised to block a deal at the meeting for the East and Mediterranean unless its partners put up more cash for the so-called ACP developing countries, including many former French colonies.

At the heart of the problem are concerns in France, Spain, Italy and other southern members that the Union, under strong German prodding, is devoting too much attention and money to prospective members in Eastern Europe.

Conscious of those concerns, Chancellor Helmut Kohl agreed at the EU meeting in Essen, Germany, last December that the Union must balance its eastward thrust with greater attention to the fragile economies of North Africa and the Middle East. The European Commission this spring proposed extending 6.69 billion European currency units of aid (\$8.7 billion) to the Eastern countries from 1995 to 1999, and 5.16 billion Ecu to the Mediterranean region.

That plan has been attacked from virtually all sides as too ambitious. Given other aid commitments to the former Soviet Union, South Africa and elsewhere, the Union would be locking in most of its 29 billion Ecu aid budget for the next five years, giving it no way to respond to geopolitical shifts.

One French official said it would be absurd to program so much aid so far in advance. France's response has been to scrap the five-year plan and propose spending a minimum of 1.235 billion Ecu on the East and 700 million Ecu on the Mediterranean next year, with increases to follow.

Germany has opposed the Mediterranean figure, as well as France's suggestion that aid to the South should reach parity with the East by 1999. The difference is clear, one German official said. The Eastern countries will become EU members and must be helped. The Mediterranean, while important, will never join the club.

Spain protests the whole idea, however, saying anything less than a major, multiyear aid pledge will undermine the EU-Mediterranean conference in Barcelona in November.

Even if the Union can strike an East-South balance, member states remain far apart on aid to the ACP countries. France is demanding 13.3 billion Ecu over five years, which would keep spending steady after inflation. But German insistence on a nominal freeze of its contribution and Britain's demand for a 30 percent cut leave the EU about 1 billion Ecu short.

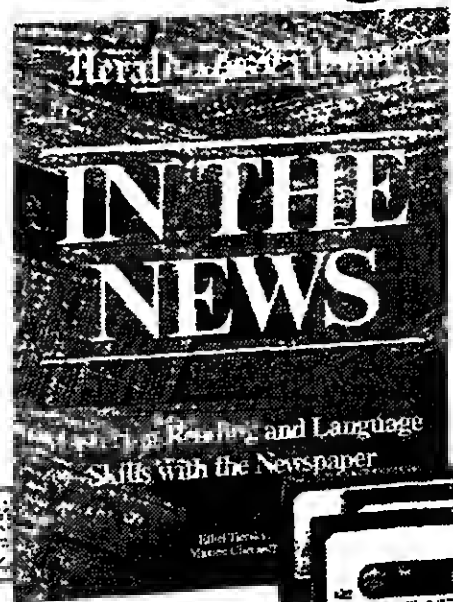
Bildt to Succeed Owen  
European Union leaders appointed Carl Bildt, 45, a former Swedish prime minister, as the EU's new Yugoslavia peace mediator Friday, succeeding Lord Owen. Reuters reported from Paris, quoting President Jacques Chirac of France.

The leaders of the 15-nation EU made the decision at a meeting in Paris where they discussed peace efforts on former Yugoslavia and other topics.

As the EU's new mediator, Mr. Bildt is expected to be granted greater powers than Lord Owen had.

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## Racism Suspected In Austria Bombs

Reuters

VIENNA — Letter-bomb attacks, thought to be by Austrian racists, wounded two women Friday and targeted a popular mixed-race presenter working for German television.

One bomb exploded in an office in Linz that arranges marriages and partnerships mainly for foreigners living in Austria. The police said one of the women was taken to a hospital with serious hand wounds. The other suffered from shock.

Another letter bomb was sent from Austria to an Austrian-born television talk show moderator in Munich, Arabella Kiesbauer, 29.



# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Solidarity Is Key on Bosnia

The U.S. Marines' daring, casualty-free rescue of the American pilot downed over Bosnian Serb territory provides a welcome demonstration of American and NATO military prowess. And of more than prowess. Discussion of military options in Bosnia has been much intensified by the recent sequence of Serb bombardments, UN-NATO reprisal, Serb hostage-taking and UN-NATO irresolution. It is a useful moment for the possessors as well as the possible targets of NATO's arms to be reminded that power has its uses. There can be no euphoria, no recklessness. But there can be an appreciation of the military capacities in NATO's hands and of the readiness of military people to handle the risks that go with their territory.

The Europeans in NATO, with some of their peacekeepers still the Bosnian Serbs' hostages and the others still at risk, have yet to answer what is for them the essential question of whether to protect their forces or evacuate them. Any sort of significant escalation does not seem to be a political option for them at all. But the Europeans have decided to send a 10,000-person rapid-reaction force to fulfill whatever policy they finally embrace.

The European indecision is notable, but Americans, with none of their own forces at risk on the ground, are poorly placed to criticize it. In Washington, there is some support for unilaterally lifting the UN arms embargo in order to let the Muslim-led Bosnian government better defend itself. It is an appealing idea whose downside is that it would almost certainly push the Europeans out of Bosnia and trigger the U.S. pledge to help NATO withdraw. Thus would 25,000 or so Americans find themselves in a possible combat zone on the ground in Bosnia — precisely the posture that alarms Americans across the board.

The best remaining course is to consult and cooperate with America's NATO allies: in working out the choice of protecting the peacekeepers or withdrawing them, in making decisions (lifting the arms embargo) that bear on military action in Bosnia and in ensuring that NATO military operations are coordinated by NATO, not just by the United Nations. The negotiations with Serbia that are being conducted by the United States, Russia, Britain, France and Germany may or may not bring acceptable results. At this late hour, alliance solidarity should be the bedrock of American policy.

—THE WASHINGTON POST.

## Terror Bill Endangers Rights

The Senate is congratulating itself for passing the Comprehensive Terrorism Protection Act of 1995 just seven weeks after the Oklahoma City bombing. But the Senate's hasty and ill-considered action has come at a price. Steps designed to protect Americans' physical safety will in many cases erode their liberties.

The legislation, a grab-bag of bills proposed by the Clinton administration and members of Congress, contains more FBI personnel and resources to combat terrorism, increased penalties for dealing in explosives used to commit crimes, and measures to make bombs easier to trace.

But the temptation was too strong, both in the White House and the Senate, to load the bill with tougher-sounding, more crowd-pleasing provisions. These include wide-ranging surveillance power for law enforcement agencies, crackdowns on suspected aliens and more blurring of the line between military forces and police.

President Bill Clinton committed the worst cave-in. After resisting Republican attempts to smuggle into the terrorism bill a pet proposal to limit death-row appeals in federal courts, he surrendered on a television talk show and embraced this so-called "habeas corpus reform."

That left Senator Joseph Biden of Delaware to explain to a needless Senate that this provision was not germane to terrorism. The only possible connection is that the death penalty is now available for federal crimes like the Oklahoma City bombing. Senators paid no attention when informed that the measure needlessly denied appeal rights to condemned inmates of state prisons as well as federal.

The terror bill's provision for a "roving" wiretap authority will allow federal agents to tap not only a suspect's phone but any other phone the suspect uses, thus allowing police to eavesdrop on far more citizens at the same time. This is the kind of surveillance expansion Congress has been reluctant to approve in the past.

There is a danger of further privacy erosion in the bill's eased standards for inspecting bank and credit records. An amendment to the century-old Posse Comitatus Act, which prohibits military involvement in civilian law enforcement, would allow military assistance to police where chemical and biological weapons are involved, an unnecessary breach of the line.

Other sections allow the president to compile a list of designated terrorist organizations and permit easy deportation of illegal aliens suspected of terrorism, subject only to review in a special secret court where the accused alien is denied access to the evidence on which the deportation is based.

The Senate wisely agreed to require explosives makers to tag their products so that agents digging through the World Trade Center or the federal building in Oklahoma City could more easily trace the bomb. But this useful provision was no profile in congressional courage. Senators bowed to the National Rifle Association and refused to include gunpowder for small arms ammunition in the bill.

The Senate's 91-to-8 vote shows again how tempting it is to disregard American liberties when people feel threatened, and how easily and swiftly Congress yields to that temptation. Senators do not deserve the round of applause they gave themselves this week.

—THE NEW YORK TIMES.

## A Clinton Plan on Welfare?

When President Bill Clinton promised during the 1992 campaign to "end welfare as we know it," he did not foresee the Republican takeover of Congress or how the Republicans would try to keep that particular pledge. Their proposals would dismantle the Aid to Families with Dependent Children program and end welfare's federal "entitlement" status. That means that poor people and state governments could no longer count on certain forms of automatic federal aid during times of recession. It's a dangerous idea — to poor people and to the states. But having helped start this debate, what is President Clinton doing to shift its direction?

On Tuesday, Mr. Clinton, in a speech to the National Governors' Association, laid out the basic objections to the Republican plans quite effectively. The Republican bills, he said, do not include the financing for child care that would be needed to move welfare recipients into jobs — the goal everyone in this debate professes to believe in.

The Republicans, he said, also fail to provide financing for the jobs themselves and create strong incentives for states simply to cut people off welfare.

Mr. Clinton noted that the frozen-formula block grant that the Republicans are proposing would give states no protection against economic downturns and could harm those states that are experiencing high levels of population growth. Finally, he said that neither the House nor the Senate Republican proposals require

states to maintain their current levels of funding for welfare, even though it was those very levels that qualified them for their current allotment of federal funding in the first place.

But once again, Mr. Clinton refused to say what he would do. This has become a bad habit and a reckless one. Would he, or would he not, veto a welfare bill if the Republicans fail to meet these objections? Would he or would he not send up amendments to achieve his ends? Would he or would he not send up a welfare reform proposal of his own?

The problem with his silence is that if the welfare debate stays on its current course, the president will face a terrible choice: to sign a bill he knows is wrong, or to veto it. And it's not as if the Republicans don't already know what the president is against. It's no secret.

Mr. Clinton was given an opening to solve this problem on Thursday by Senators Daschle, Mikulski and Breaux, three Democrats. They introduced a welfare bill that is right in its central features: It contains work requirements, but also the work and child-care programs needed to make them real, and it broadly maintains the current system's fiscal commitment to the states.

The sponsors have to be a lot clearer than they have been on what the bill would cost and how they would propose paying for it. But it cries out for the president's response: Is this what he's for? If not this, what?

—THE WASHINGTON POST.

# Africans Are Now Uniting Against Nigeria's Tyranny

By Jim Hoagland

WASHINGTON — Incompetent, corrupt military rule is strangling Nigeria, West Africa's most populous and powerful nation. Only a strong international crusade, as strong and as punitive as the anti-apartheid campaign that helped crack the white tyranny in South Africa, can save the West African giant from a bloody new civil war.

These grim words are uttered over breakfast by one of the most ungrateful men I know: the usually ebullient, unfailingly witty Bolaji Akinyemi, once foreign minister of a rich and rambunctious Nigeria. Mr. Akinyemi lives now in the danger and loneliness of exile abroad, a condition that dampens any spirit, however free.

At one level, Mr. Akinyemi's fate lies in familiar territory: African politics are volatile and frequently brutal. Mr. Akinyemi, an academic by profession, himself served in an earlier military government in Lagos, hoping to temper its excesses. He failed and quit in 1987. He fled his home and his country last August, hours before the police came to arrest him.

But a new line is being crossed as Africans and African Americans recoil in horror at what is happening in Nigeria. They begin to make the same points that Mr. Akinyemi reluctantly makes: Blacks are abusing blacks as thoroughly and savagely in his country as South Africa's

whites ever did in theirs. The Nigerian oppressors deserve the same international isolation and condemnation that the white Boers received.

"Africans don't take on Africans publicly," Mr. Akinyemi acknowledges. Why give comfort and ammunition to ex-colonialists and racists of all stripes dying to say, "We told you so"? The continent tolerated the outrages of Idi Amin and others in long and shameful silence.

But the liberation of South Africa ended the continent's version of the Cold War. The formation of a multiracial government under President Nelson Mandela means that African nations, and their allies abroad, no longer have to stand united and mute about Africa's own enormous problems.

South Africa must now help democracy sink roots in the rest of Africa.

"Mandela is the key," Mr. Akinyemi said. "He has the international moral authority to speak up about Nigeria. We need a Mandela Doctrine."

This would update and rotate the Nkrumah Doctrine, Ghana's Kwame Nkrumah said in 1956 that Africa would not be free until South Africa was finally free.

"South Africa should recognize that it will not be free until Africa is free from

military rule," says Mr. Akinyemi, who is writing to President Mandela to ask him to lead an international campaign of pressure and persuasion.

Mr. Mandela may listen now. He sent Archbishop Desmond Tutu to Lagos a few weeks ago to ask the military junta headed by General Sani Abacha to release from jail Moshod K.O. Abiola, who won Nigeria's presidential election on June 12, 1993. Bishop Tutu left without success.

The military has ruled Nigeria for 25 of its 35 years of independence. The generals simply tore up the 1993 election results. General Abacha's regime is waging a scorched-earth war against Ogoni tribesmen, who asked that a small share of the oil revenues taken from their oil-producing Niger River Delta territory be spent on clean drinking water, schools and roads for them.

Having shattered Nigeria's complex federal constitutional balances and the civil peace, the military leaders have made Nigeria an important relay point in drug trafficking that starts in the Middle East.

Abacha and Company are, in short, a thoroughly rotten lot. They more than deserve the limited sanctions adopted by the United States, the European Union and Japan: a ban on most official visits and restrictions on military and economic aid to Nigeria. Mr. Akinyemi was in Washington

to seek support for tougher sanctions and to applaud the work of TransAfrica, the African-American lobbying organization, headed by Randall Robinson, that fought tenaciously against apartheid.

More recently, Mr. Robinson helped pressure the Clinton administration into deposing the Haitian junta. He now leads daily picketing at the Nigerian Embassy and is organizing petitions and media ads denouncing Nigeria's rulers.

"TransAfrica has broken ranks, showing that blacks are now able to criticize a black regime," Mr. Akinyemi said. "African Americans understand they must speak out against the unacceptable face of black dictatorship, too."

Mr. Akinyemi wants the United States and others to investigate the military's bank accounts abroad, to stop importing Nigerian oil and to use international meetings like the Commonwealth gathering in New Zealand in November to play the regime.

Hardly the agenda I would have imagined this fun-loving professor championing even a few years ago. But Nigeria has ceased to be fun for anyone, least of all its persecuted citizenry. The military regime is metastasizing into a cancer on the body of Africa and on the conscience of the world. At least this time there is no color bar against saying just that.

Washington Post Writers Group.

## In Bosnia, American Retaliation Is the Best Policy for Peace

By Jeane Kirkpatrick

WASHINGTON — It may be that the NATO ministers meeting in Europe this weekend will change the rules for United Nations operations in former Yugoslavia. But until now good men of various nationalities have been sacrificed to the multilateral fantasy that aggression can be deterred while contained by barely armed peacekeepers operating under the strangest rules of engagement ever applied in a war.

Sent by their governments to the killing fields of Bosnia, young men confront mortars, missiles and snipers under instructions to draw their weapons only with specific authorization, to fire only after a warning has been given, only in self-defense and only as many times as absolutely necessary to protect one's life.

UN forces operating in former Yugoslavia have been rendered nearly helpless by the UN rules of engagement. Forbidden to use force to do their job in this war-torn area, these soldiers have stood by while Bosnia's towns were reduced to rubble, while civilian populations were shelled and starved, while convoys carrying food to starving civilians were blocked, while promises were broken, weapons stolen, massacres carried out.

Under UN rules of engagement, peacekeepers have stood by while Security Council resolutions were violated and the violations ignored. They have stood by while Serbian forces seized ever larger portions of Bosnia, while the secretary-general, his representatives and diverse other dignitaries affirmed again and again their neutrality — as if neutrality in the face of aggression were a virtue. It is not.

It was similar rules of engagement — accepted by the U.S. government for North Atlantic



Treaty Organization operations — that permitted Bosnian Serb forces to shoot down an American F-16 and its pilot last week. Fortunately the pilot was saved. From this episode we can learn a good deal about the at-

titudes of President Bill Clinton concerning the use of force and the limits of his responsibility.

It is significant that in the days after the F-16 was shot down the U.S. government neither retaliated nor expressed much outrage

over this deliberate targeting of an unprotected U.S. plane on a routine, nonviolent mission. The administration has still given no one — least of all the Serbs — reason to fear American displeasure. Such behavior was probably to

be expected from an administration that permitted the installation of the SAM missiles within an area patrolled by American planes. It should probably have been expected as well from an administration that sends American planes to patrol an area defended by SAM missiles — and sends those planes unprotected.

It was not to be expected that such an administration would strike back. The Clinton administration — like the Carter administration before it — often sees U.S. strength as a provocation and tries not to be assertive. Often it is ready to give soundbites the benefit of the doubt.

It is easy enough to guess how Ronald Reagan would have reacted in such a situation. He would not have accepted rules of engagement that exposed U.S. airmen to unnecessary dangers. He would have used all available protection for all personnel on any mission. When a U.S. plane was attacked, he retaliated swiftly, fiercely and, certainly, never doubting his right or duty to do so.

And he would never have deployed U.S. forces under UN rules of engagement. Mr. Reagan would not delegate key decisions concerning the use of force to a supranational group figure such as the UN secretary-general.

Mr. Reagan did not shoot from the hip, but he believed in a disproportionate response to an attack, the kind of disproportionate response that would discourage future attack, build credibility and therefore eliminate the necessity of future use of force.

Mr. Clinton has promised NATO pilots the full available protection on future forays. The next appropriate step would be to remove Serbian missile sites — that is, retaliate. It would be good for his political future and world peace if Mr. Clinton would watch a few John Wayne movies.

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## U.S. Visit Fits the Realities of Taiwan

By Michael Y.M. Kau

TAIPEI — Given the delicate political balance between the United States, China and Taiwan since 1950, the concerns surrounding the visit by President Lee Teng-hui to the United States are perfectly understandable. But fears that U.S.-China relations will be wrecked, or contacts between Taipei and Beijing disrupted, are misplaced.

In granting permission for Mr. Lee to give a lecture at his alma mater, Cornell University, the State Department and the White House stressed the "private" and "unofficial" nature of the trip, which will in no way change established American policy toward Taiwan.

This policy was laid down in the Taiwan Relations Act of 1979 and the three U.S.-China communiqués of 1972, 1979 and 1982.

It was deliberately arranged that Mr. Lee would not raise political sensitivities by going to Washington or meet any senior administration officials. As a matter of courtesy, he will receive some VIP treatment and necessary security protection while in the United States. Congressional leaders may try to meet with him. Both Washington and Taipei, however, are committed to making the event as low-key as possible.

Beijing's vehement protests over Mr. Lee's visit are predictable. China has recalled visiting delegations and suspended high-level dialogues that were scheduled with the United States. The crucial question is: What else would or could it do? Would China be prepared to push its anger to the extreme of rupturing valuable political and economic ties with the United States?

Beijing knows very well that the viability of its "reform and opening" policy requires a peaceful international environment and U.S. cooperation. China benefits greatly from two-way trade with the United States and has a surplus of \$20 billion in its favor. China also benefits from American investment and technology transfers, on which its modernization depends.

As a result, Beijing has often protested loudly but taken little real retaliatory action in the past. Its limited response to the decision by the Bush administration to sell 150 F-16 fighters to Taiwan in 1992 is a case in point. In the post-Mao era, pragmatism and reason have invariably prevailed in China's conduct of foreign relations, despite some conspicuous gestures of protest.

Beijing is unlikely to act recklessly against Taiwan over the issue of Mr. Lee's visit to the United States. In the last seven years of Mr. Lee's lead-

ership, Taiwan's trade with the Chinese mainland expanded fast, reaching \$16 billion in 1994. Cumulative investment from Taiwan is estimated at somewhere between \$15 billion and \$20 billion.

About 2.5 million Taiwanese tourists a year are now traveling to the Chinese mainland, providing a significant addition to China's hard currency earnings.

Despite heated controversy before Mr. Lee set off on his trip, Beijing's high-level delegation, headed by Tang Shubei, vice chairman of the Association for Relations Across the Taiwan Straits, still showed up as scheduled in Taipei last month to meet with its counterpart body with lots of smiles and toasts. They also agreed to hold a second top-level policy dialogue.

While pushing for his U.S. visit, Mr. Lee is equally committed to engaging Beijing economically and politically to maintain a stable and positive course for continued interaction.

For years, the 21 million people on Taiwan have been gravely frustrated over the island's international isolation and critical of the government's inability to elevate Taiwan's visibility in the world. Mr. Lee's U.S. visit is thus viewed in Taiwan as a great feat of morale-boosting.

Highly contested parliamentary elections are scheduled for December, while direct presidential elections — for the first time in Taiwan's political history — are set for March. No parties or leaders can expect to win national elections without showing their strong commitment to gain the international respect and dignity to which Taiwan's voters believe they are entitled.

To maintain his leadership credentials as a candidate for the popularly elected presidency, Mr. Lee will have to continue to advance his personal diplomacy by visiting various parts of the world and pressing hard for Taiwan's admission to the United Nations. He has shown that he knows how to maintain a proper balance between action and restraint, and between vision and pragmatism.

His trip to America simply reflects the political realities already in existence in and around Taiwan. It is not designed as a reckless adventure to destroy peace and stability in the Asia-Pacific region. There is no reason for the world to be alarmed.

The writer, a professor of political science of Brown University, is currently a senior fellow at the Center for International and Security Studies in Taiwan. He contributed this comment to the International Herald Tribune.

## And the NRA, Mr. Dole?

NEW YORK — However cynical his motives, Senator Bob Dole has clambered aboard a legitimate issue.

In a speech delivered Wednesday in Los Angeles, Mr. Dole said, "Our music, movies, television and advertising regularly push the limits of decency, bombarding our children with destructive messages of casual violence and even more casual sex."

This can be confirmed by turning on any television. "A line has been crossed," he said, "not just of taste, but of

human dignity and decency. It is crossed every time sexual violence is given a catchy tune. When teen suicide is set to an appealing beat. When Hollywood's dream factories turn out nightmares of depravity."

Good issue. Good speech. But if Mr. Dole wants to do something concrete, he'll renounce his support for the NRA. He'll recognize that a loaded gun is more of a threat to a child than a filthy lyric.

—Bob Herbert, writing in The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1895: Doctors Blamed

BERLIN — The terrible disclosures made respecting the treatment of patients in the Monastery of Marienberg, and the judgment of the Court at Aix-la-Chapelle delivered yesterday [June 8], wholly engross public attention. The medical specialists, who described the state of the monastery as filling them with disgust and abhorrence, cast the strongest blame on the two doctors who undertook the daily supervision of 600 patients, but were only able to visit for an hour and a half daily.

Mrs. Caruso was in the sewing-room when she heard a step overhead, which she thought was that of a servant until the alarms sounded. She ran to the hallway and screamed just in time to see the burglar vanishing out of the front door.

### 1945: No Surrender

SAN FRANCISCO — Kantaro Suzuki, Japanese Premier, told a specially convoked session of the Imperial Diet today [June 9] that the "enemy's boastful talk of unconditional surrender of Japan means nothing more but outright death of all the one hundred million people in this country." "We have no alternative but to fight against this enemy," he said, according to a dispatch heard by the Office of War Information. "In the final analysis this war is one of liberation against Anglo-American schemes for wholesale and permanent enslavement of the East Asiatic Peoples," Suzuki said.

### 1920: Operatic Theft

NEW YORK — While the family and servants were screaming, burglar alarms were ringing and a chauffeur was shooting, a burglar who had walked calmly into the home of Mr. Enrico Caruso at Easthampton at 10:30 last evening [June 9] made his escape with jewels valued at nearly \$500,000.

## International Herald Tribune

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## Beijing Videotapes Dissident to Deny He's Fasting in Cell

**BEIJING** — China on Friday made public a videotape of Wang Dan, a dissident, in an effort to deny reports that he was refusing food while in custody.

The tape appeared to represent an attempt by the government to control political damage arising from the detention or harassment of dissidents in recent weeks. The tape was sold to Western news agencies for \$300.

Mr. Wang had been prominent in the six weeks of student-led anti-government demonstrations, centered on Tiananmen Square, that the army crushed on June 3 and 4, 1989. He served four years in prison for his involvement.

The three-minute videotape, made in a detention center under the Beijing Reform-Through-Labor Department, said Mr. Wang had refused meals for a little more than a day.

It was sold by the International Information Center, a Beijing communications firm responsible to the State Council, or cabinet. An official at the center said that the tape was obtained by "an acquaintance"

and that the Public Security Ministry had approved its release.

An official at the bureau, which runs the city's prisons, said it did not give telephone interviews and declined to confirm whether the tape was authentic or authorized.

The tape's narrator said Mr. Wang was legally detained on May 21 on suspicion of "disturbing the social order" before the sixth anniversary of the Tiananmen crackdown.

He said Mr. Wang began a hunger strike on his second day in custody, refusing all food but milk, but began eating again on the fourth day.

The tape showed jail records of meals purportedly eaten by Mr. Wang and images of him sitting in an armchair beside a bed.

In a brief interview, Mr. Wang described one day's lunch as "the same as yesterday's" and said it included "everything: meat with eggs and tree fungus, fish, steamed bread and other things."

The narrator said Mr. Wang had written a letter in December in which he pledged to refuse food indefinitely if he were arrested.



Prime Minister Tomiichi Murayama bowing in Parliament Friday after the Diet passed a resolution promising Japanese self-examination for behavior during World War II.

## Japanese Weaken Apology for War 'Self-Examination' Promised

By Nicholas D. Kristof  
New York Times Service

**TOKYO** — The lower house of Parliament, or Diet, approved an enfeebled resolution Friday that promises self-examination for Japanese conduct during World War II but offers no apology.

Months of vigorous debate and back-room negotiations were necessary to pass the resolution, which does little more than say that Japan may have engaged in some "aggressive-like behavior" — and only in the context of similar actions by other countries.

A proposed phrase of apology had been excised at the insistence of the Liberal Democratic Party, Japan's largest political party.

Prime Minister Tomiichi Murayama had pushed for a resolution of apology, directed principally at Asian countries that were invaded by Japan, to mark the 50th anniversary of the peace.

But the way the resolution was weakened in recent weeks has only raised new questions about the nation's understanding of its past.

Countries such as South Korea and China have been

alarmed by Japan's unwillingness to apologize, and young Koreans on Friday burned Japanese politicians in effigy.

The resolution passed overwhelmingly Friday, but only because opponents boycotted the session. The New Frontier Party, the main opposition group, stayed away because of the coalition's refusal to consider amendments.

Dozens of members of the Liberal Democratic Party also boycotted, arguing that Japan need not express any remorse at all. They argue that Japan was forced unwillingly into World War II.

The key paragraph in the resolution reads: "Recalling many aggressive-like acts and instances of colonial rule in modern world history, we recognize and express deep remorse for these kinds of actions carried out by our country in the past. They brought unbearable pain to people abroad, particularly in Asian countries."

The key term, here translated as "remorse," is "hansei," which more literally means reflection or self-examination. So the resolution can also be translated not as expressing remorse but as "we reflect deeply on those kinds of actions."

## Riots Raise Doubts About Forcing Vietnamese Home

By Philip Shenon  
New York Times Service

**KUALA LUMPUR** — An international plan to end the 20-year sojourn of the Vietnamese boat people and force the last of them back to their homeland is in danger of unraveling after recent riots by the Vietnamese in detention camps across Southeast Asia.

Refugee workers say the riots show that it will be impossible to deport many of the remaining 40,000 Vietnamese in detention camps without violence. The once-steady flow of boat people volunteering to return to Vietnam has evaporated, at least in part because of moves by Republicans in Congress to offer thousands of them asylum.

As a result, refugee workers say the detention camps may have to remain "for years" to come as Asian governments, fearing more bloodshed and an outcry from human rights organizations, give up on their plans to force the Vietnamese home.

Just Thursday, the riot police in Hong Kong fired tear gas at a group of nearly 50 Vietnamese

boat people protesting their imminent deportation to Vietnam. There were no reports of injuries, although the kitchen and an adjacent office were set afire by the Vietnamese.

On Monday, the riot police in Malaysia fired water cannon and tear gas to force back more than 1,000 boat refugees who broke out of a camp on the outskirts of Kuala Lumpur in a protest over government plans for repatriation.

Many of the protesters were armed with knives, and the Malaysian police say that after the riot, they seized daggers, swords, spears, bows, and other weapons from the camp, where more than 4,000 Vietnamese are detained.

Twenty Vietnamese were detained by the police here on charges of rioting. And while police spokesmen said no one was wounded in the clash, reporters outside the camp saw at least two men with bleeding injuries, possibly self-inflicted since many of the Vietnamese here have repeatedly threatened to commit suicide rather than go home.

"Until now, the situation has been peaceful," said Erika

Feller, regional representative in Kuala Lumpur for the UN High Commissioner for Refugees. "But I think violence, at least low-level violence, is becoming a threat."

The United States has endorsed an international agreement intended to close most camps by the end of the year by encouraging the Vietnamese still left to go back home voluntarily — and, if that fails, by deporting them forcibly.

Virtually all of the Vietnamese left — there are large camps in Indonesia, the Philippines, Thailand, Hong Kong, and Malaysia — have been declared economic migrants, not political refugees, and therefore have no right to asylum under international law.

But the difficulty of carrying out the so-called Comprehensive Plan of Action has been compounded by legislation now under debate in Congress that could result in offers of asylum to as many as 20,000 Vietnamese.

Republican sponsors of the legislation, which has been approved in the House of Representatives but is facing a veto by President Bill Clinton, say

many of the Vietnamese in the camps have reason to fear persecution, even imprisonment, if they are forced to return to their homeland.

Some human rights campaigners agree. A study by the Lawyers Committee for Human Rights, based in New York, found that "hundreds, perhaps thousands, of Vietnamese refugees have been wrongly rejected" for asylum.

The United Nations, which employs investigators in Vietnam to monitor conditions of the 70,000 Vietnamese who have already gone home voluntarily, insists that it has been unable to document a single case of government harassment of the returning Vietnamese.

News of the recent congressional moves has begun to circulate in the detention camps throughout Asia, and refugee workers say it has given many of the boat people reason to believe that their protests — even violent protests — could help them achieve their dream of citizenship in the United States.

The UN High Commissioner for Refugees, which runs the detention camps throughout

Southeast Asia, has blamed the congressional debate for a huge riot last month in one Hong Kong camp.

Nearly 200 people, most of them police officers, were wounded in the protest. It was the most violent clash since Hong Kong's colonial government opened camps for the boat people in the 1970s.

The UN has also blamed the legislation for having ended the flow of Vietnamese willing to volunteer to return home under a program in which they are each given a payment of several hundred dollars.

The UN ran a charter flight last week for 270 Vietnamese in Hong Kong who had volunteered to go home. But the flight had to be canceled when all but four of the Vietnamese announced that they had changed their minds.

"They clearly told us that they wanted to wait the outcome of the congressional debate in Washington," said Jahanbakhsh Assadi, the chief of mission in Hong Kong for the High Commissioner.

"I hope the damage to the repatriation program is not irreparable, but we have very tangible evidence of people being affected by what's going on in Washington."

Ms. Feller, the UN official in Kuala Lumpur, said she was certain that the American legislation was "an important factor" in the clash here on Monday. "The Vietnamese," she said, "have asked us point blank: Does this legislation mean that we're going to be able to go to the United States?"

### BOOKS

#### LONDON:

##### A Social History

By Roy Porter. 431 pages.  
\$29.95. Harvard University Press.

Reviewed by Michael Elliott

**PAUL** Theroux once wrote, "London is not a city. It is more like a country. . . . Its hugeness makes it possible for everyone to invent his own city. My London is not your London, though everyone's Washington, D.C., is pretty much the same." And that's what makes London so hard to grasp. One sensible measure of its metropolitan area, it has twice the population of any city west of Moscow. It dominates its host country to an extent that has never been true of Paris, Rome, or anywhere in Germany — while outlying parts of Britain are losing population, London's periphery keeps booming. Yet at the same time, it is the least British place of all. In 1981 one in six Londoners was born outside Britain; in its international links, its enterprise, verve and sheer busyness, it is a world removed from the (take your pick) indolence or placidity that often typifies the rest of the country.

Perhaps because understanding London is such a challenge, it has been well explored by many writers, among whom Roy Porter, a historian of medicine at London University, is the latest. His book deserves

to be an instant classic. True London addicts will supplement it with the new edition of "The London Encyclopedia" by Ben Weinreb and Christopher Hibbert, but for those looking for a one-volume social history of the city, Porter's book could hardly be bettered.

Porter succeeds because he knows that you can't look for order in London. It is, in his phrase, "a muddle that worked." With the exception of the Prince Regent and his architect John Nash, whose grandiose schemes peter out where Portland Place bends around what is now the home of the BBC, the city has never been consciously planned. Its true gems — like Nicholas Hawksmoor's churches of the early 1700s — are hidden away. London is the way it is because governments could never impose regularity upon it; it was built not by kings or emperors but by private capitalists eager for quick profits.

London, indeed, was the apotheosis of early capitalism — Porter's history of the importance of trade and commerce to the city's growth is exem-

plary. But there was something more. London was (and perhaps still is) the world's great Protestant city. From the time of Elizabeth I, it became the safest haven for Protestants persecuted elsewhere in Europe. Flemings, Dutch and Huguenots flocked there. In the 17th century it was a hotbed of Puritanism, the redoubt of Parliament's forces in the English Civil War. In the 1670s the mob liked to burn effigies of the pope, "his belly filled full of live cats when they felt the fire."

Curiously, the political radicalism that had once gone hand in glove with Protestantism and capitalism died in the 19th cen-

tury. Karl Marx may be buried in Highgate cemetery, but Porter convincingly suggests that, with few exceptions, London has been politically quiescent for decades. The bigger question is whether London is now, or can ever be, the powerhouse of capitalism it once was. Porter doubts it; the chapters of his book that bring the story up to the present day describe a hopeless city ravaged by the heartlessness of Thatcherism, in danger of being bypassed by the forces of the global market.

Michael Elliott, diplomatic editor of *Newsweek*, wrote this for *The Washington Post*.



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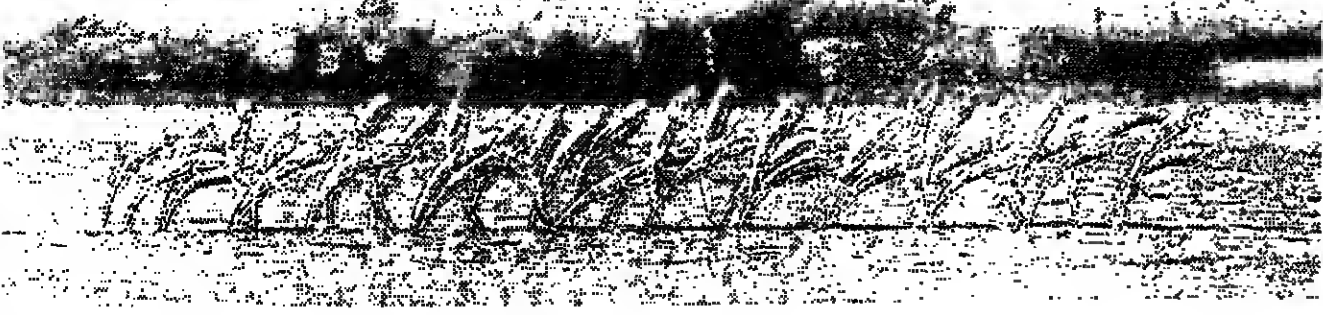
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THE WORLD'S DAILY NEWSPAPER



# ART



"Vegetazione," a project for the 1995 Venice Biennale, by Livia Seguso.

## A Parisian Savior for the Biennale

By Roderick Conway Morris  
International Herald Tribune

VENICE — Italy's factio-ridden medieval republics sometimes found that the only solution to their chronic disorder was to call in a foreign podesta, or governor, to rule them. The city of Ragusa, now Dubrovnik, institutionalized the system — and Nicolo Machiavelli was an eager, though unsuccessful, candidate for the job there.

Last year, as the Venice Biennale's 100th anniversary drew near, this cumbersome bureaucratic, administratively top-heavy institution appeared to opt for a similar course: it surprised just about everybody when it bypassed local Italian candidates and, for the first time, called in a complete outsider. Jean Clair, the man in charge of the Picasso Museum in Paris.

Though he had little time to prepare the event, the retiring, pipe-smoking academic has managed to place his stamp on this year's centenary Biennale, which opens this weekend and runs until Oct. 15.

Clair has made his presence felt through an enormous personal exhibition: "Identita e Alterita," Identity and Otherness, or Identity and Alterity as the catalogue would have it.

The central theme of the show is how a wide range of artists have viewed and presented the human body in general and the face in particular over the last hundred years. To accommodate the show's 1,000 works, which include 600 paintings and 200 sculptures, Clair has filled Palazzo Grassi (FIAT's cultural flagship on the Grand Canal) with overspill sections of more recent works in the Corner Museum on St. Mark's Square and the Italian Pavilion in the Biennale Gardens in Castello.

Clair is fascinated by the influence of scientific and technical innovations — the invention of cinema, or X-ray — on the vision of artists. The canvases and sculptures are paralleled by photographs, from studies of the human body in motion and pictures from police archives to masks of racial "types" and gadgets such as one to measure the human skull.

Clair illustrates how, in an age of mass

destruction, artists have often tended to see the human body no longer as a classical whole but fragmented into constituent parts. Nazi and fascist art is interestingly seen to run against this trend, producing spuriously "wholesome" ideal beings, like those in Adolf Wissel's "Kalenberg Farming Family" (1939), a chilling painting that contrasts dramatically with Felix Nussbaum's "Self-Portrait With Jewish Passport" (1943).

Many famous artists are represented in the show — from Matisse, Picasso and Munch to De Chirico, Bacon and Hockney — but not necessarily by their most famous works. There are other discoveries to be found here in a thought-provoking show that will delight anyone interested in 20th century art.

Deliberately or not, the exhibition is a notable counterblast to Achille Bonito Oliva's 1993 Biennale, in that almost all Clair's selections are figurative, even in the more recent sections, whereas to find such works anywhere in the Biennale's multiple spaces two years ago was an uphill task.

The city of Venice decided to mount its own historical retrospective of the institution at the Doge's Palace, curated by Giandomenico Romanelli. The selection of some 170 pieces is rich and rewarding. Again there are fine works by artists little-known today, as well as those by figures such as Klimt and leading Italian 20th century painters and sculptors.

The city show also has a section with some 400 exhibits at Ca' Pesaro on the Grand Canal, covering applied arts (including a large glass section) that were also shown in the first Biennales. On the top floor of Ca' Pesaro is an astonishing cycle of huge monochrome art-nouveau murals done by Aristide Sartorio for the 1907 Biennale. These should not be missed (though visitors are allowed to see them only upon request).

Clair created a rumpus by deciding to cancel the Aperto, or Open, section for young artists, previously held at the Corderie, the Arsenal's old Rope Walk. He contended that the building is not in good enough condition and that the event has often been of uneven quality.

He did not characterize this as a permanent abolition of the event. But in the absence of a special space to show young artists, countries including the Netherlands and Britain have set up their own shows (the former in the cloisters of the San Francesco della Vigna, the latter in the Scuola San Pasquale, next door to the church).

The Netherlands is the only country I am aware of with an "art mountain" to parallel Europe's beef mountains and wine lakes: it consists largely of otherwise unsalable works bought from Dutch artists by the state as a form of government subsidy. The Duchampist works on show at the cloisters may, one suspects, share the same fate. The British works, too, will appeal only to die-hard fans of today's often state-sponsored "avant-garde."

Most of the national pavilions in the Biennale Gardens offer little of great excitement, though the fashion designer Roberto Capucci's sculpture dresses in the Italian Pavilion are fun and beautifully made. These pieces are not designed to be worn by any living woman, but to stand on their own as works of art, an amusing comment on the near-naked models the courtesiers have been sending down the catwalks of late.

Equally enjoyable is a show held jointly by Allen Ginsberg and the Japanese artist Hiro Yamagata at the Zitiella Cultural Center on the island of Giudecca (until Sept. 15, closed July 1 to 5). The beat poet turns out to be a skillful photographer. His pictures, which document not only his own life but those of conferees such as William Burroughs, Gregory Corso and Jack Kerouac, are poignant, sensitive and revealing. Hiro Yamagata, who says he was inspired by Ginsberg, has produced an extraordinary set of motor cars by cannibalizing the wrecks of dozens of Mercedes-Benz Cabriolet 220As, restoring them to mint condition and painting them in glorious technicolor.

Some Italian critics have been waiting for Jean Clair's Biennale to fall on its face, speaking of him as if he were a new Machiavelli incarnate. It is a pleasure to report that he seems triumphantly to have saved the Biennale from itself.

## The Tales African Textiles Tell

By Michael Gibson  
International Herald Tribune

PARIS — Sculpture is the main suit of African art, but the continent also produced a singular two-dimensional art form, and the current show at the Dapper Museum devoted to it is something of a revelation.

"Au fil de la parole" (through Sept. 25) assembles various types of textiles from Ghana, Togo, Sierra Leone, Nigeria, Zaire, Mali, Cameroon and the Niger basin, whose qualities of invention and composition, particularly in the more asymmetrical pieces, surely rival those of such consecrated moderns as Klee or Chirico.

Thus the ornaments of the Nshak cloth embroidered by members of the Kuba group in Zaire irresistibly remind one of the work of European abstract artists, even though this cloth, sometimes five or eight meters in length, was worn as a loin cloth and never intended to be displayed on a wall.

Simple symbolic forms — V-shapes, circles and squares — as well as more informal ones that could evoke a stylized rendering of human figures dancing with abandon, are disposed almost randomly on the cloth with splendid effect.

Also intended to be worn is a sumptuous piece of indigo cotton embroidered with eury designs done by a Hausa from Nigeria. This immense poncho-like item (2.73 by 1.35 meters), with its large, incomplete concentric circles and superimposed rectangular designs, is splendidly authoritative and irresistibly asymmetrical.

The fundamental difference between these works and comparable ones by Western artists clearly resides in the fact that each

one of the African items was specifically created for its wearer. "All these garments are signs of identity, social status, function or condition — or even an illustration of a proverb," says Christian Falgout-Leveau in the catalogue. "The motifs serve as vehicles for a discourse which provides recognition and stimulates euphoria."

Western works are intended to hang from a wall where they invite to reverie or reflection, while the African ones are wrapped around the hips, stand for a relationship and define the wearer's part in the general dance and structure of society.

But the perception and interpretation of patterns is also quite different. In sub-Saharan Africa, where writing only recently gained a foothold, patterns have long been a powerful support for discourse both wise and humorous. Nakunte Diarra, a Bamana woman from Mali, makes a type of died cotton cloth called Bogolan, on which she combines more than 40 patterns, each with its own name. A crenelated line is known as "the teeth of the jealous husband," a zigzag line is "the one-legged woman," and a pattern composed of two lozenges connected by two lines in the form of a barbell is referred to as Kumi Jose's neck. Kumi Jose (or Dioso) had a remarkably long neck. He was the last chief of the Bamana village of Kumi and became famous for his brave resistance to the French. This last pattern demonstrates how, in the absence of writing, the memory of a person or an event can be preserved by means of a pattern printed on cloth.

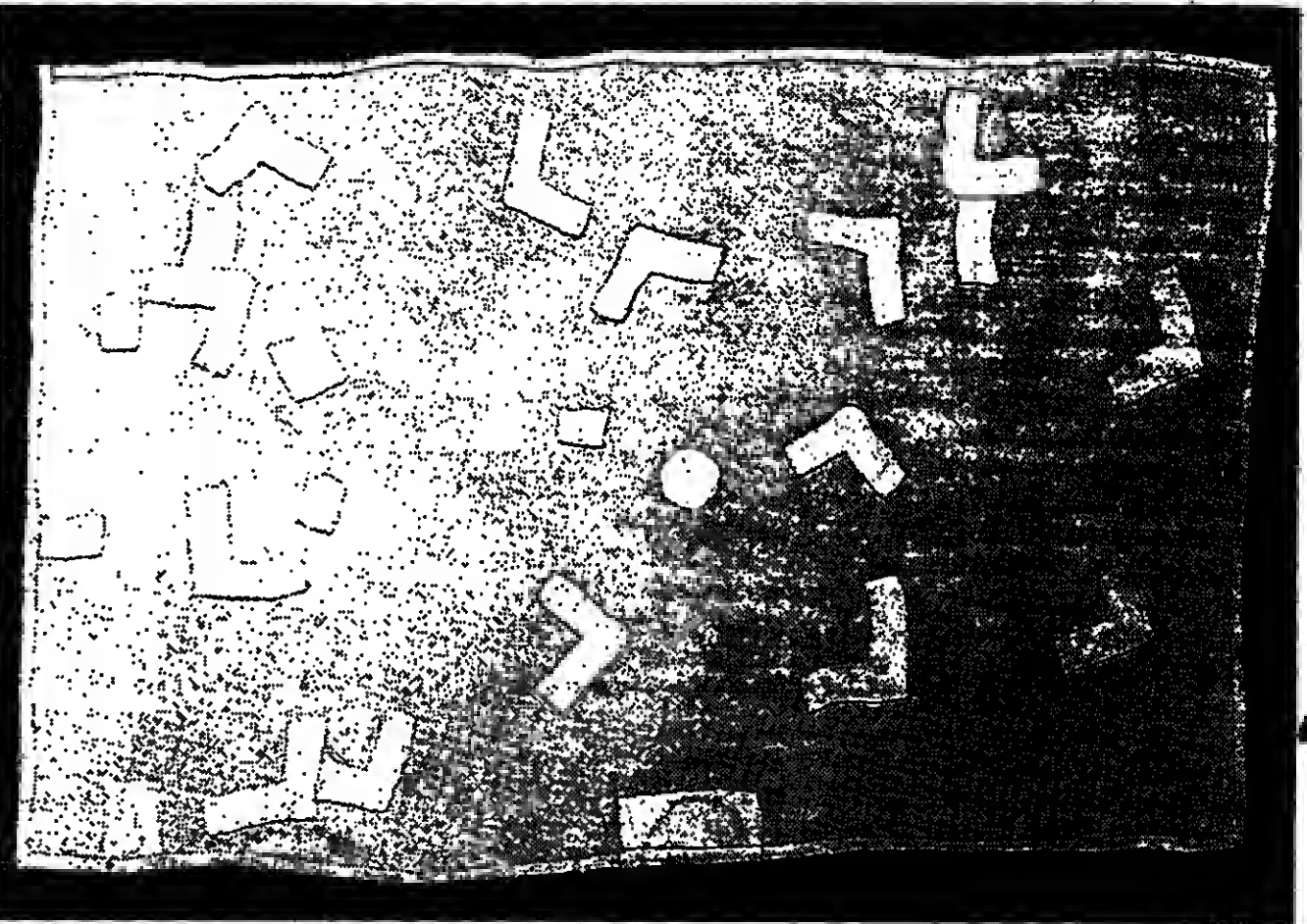
The subject of other patterns can be moralistic ("people gossip too much") or metaphysical or religious (Mount Sinai), or may simply refer to characteristics of such

animals as the caiman, the scorpion or the snake. Even a simple white line has its significance, being known as "the little white snake."

The Kuba have their own interpretation of the simple geometric signs they use. A small square set in a larger one signifies Woot, the ultimate ancestor who, with his sister, Mwel, produced the world and all the beings that people it. Thus do the simplest designs tie each individual into the broader mythic patterns of the world.

THIS does not mean, however, that aesthetic considerations did not play their part. Each Kuba monarch, in past centuries, was required to invent a new pattern when he was elevated to the throne. This tradition was still observed in the first part of this century. King Kot Mabinsh ma-Kyeen (1919-1939) traveled some distance in search of his own pattern, and one day, when he was already king, his aesthetic interest was stimulated by the tracks of a bicycle tire that he immediately had court artists set down for future use.

This exhibition plays upon the paradoxical relationship Westerners establish with such objects. They view them through eyes accustomed to modern art but they are also gratified to discover that such forms can serve as vehicles to meaning. In a world untruly dominated by instant communication, and possibly suffering from an excess of mere information, these simple objects illustrate how, in other circumstances and in the absence of writing, the collective memory could rely on a web of signs to transmit and immortalize humor, history (or legend) and the hidden wisdom of the tribe.



Nishak pattern from Zaire is among striking designs in show of African textiles in Paris.

## Revolution and Restoration

By Daniel Williams  
Washington Post Service

ROME — This city, like all of Italy, is filled with art treasures. So what's another fresco when there are plenty of great ones to behold in Florence, Arezzo, Assisi? Hardly a major church of any antiquity is without one. Giotto.

Masaccio, Fra Angelico, Piero della Francesca. The names on the list of masters could fill, well, a fat tourist book, and of course they do.

Yet the unveiling in a Roman chapel of four walls of restored frescoes, painted by anonymous artists late in the 13th century, created unusual excitement. The works are in the Sancta Sanctorum shrine,

across from San Giovanni in Laterano cathedral, where the Appian Way enters the Old City.

Pope Nicholas III ordered the chapel, a private house of prayer for the popes, rebuilt in 1277 after an earthquake. It had been declared the "Holy of Holies" because it sheltered relics from Jerusalem and from the lives of martyred saints, and a painting of Christ on wood that, legend held, was "not painted by human hands."

Inside the new chapel were subtle signs of something revolutionary: A knee that had been painted with an effort to represent anatomy. An angel on one panel that was slightly fatter than its near-twin on another. The clear blue eyes on a portrait of Nicholas III, which were strikingly different from the characteristic brown eyes of assorted saints and martyrs elsewhere. The folding of one building behind another, a primitive stab at perspective.

These individual touches broke the rules of medieval art. Until then, painters had been restricted to the rather stiff and standardized renditions of icons. One Saint Peter would invariably look rather like another, a style that Giorgio Vasari, the 16th-century biographer of Renaissance artists, called "rubbish." The artist — or artists — in the Sancta Sanctorum had broken these rules.

That this revolution was taking place in 13th-century Rome, which had been thought to be a fresco backwater, comes as a surprise. Extensive urban renewal in the 14th century destroyed much of the medieval city, including most of its frescoes. The Sancta Sanctorum frescoes were hidden not just by grime but by an extensive repainting done in the 15th century. At that time, repainting was considered restoration.

"It makes one think there was a consolidated school of artists in Rome," Federico Zeri, a leading art historian, wrote. "This original fresco cycle of the 13th century, returned

to light thanks to a perfect restoration, presents the first hints of the prospective and formal revolution that opened the road to modern painting."

Italian cities, which for centuries vied commercially and territorially, harbor many ancient rivalries, and art comes in for its share of them. So when the Vatican unveiled the Sancta Sanctorum, Rome suddenly assumed a place alongside Florence as a pioneer producer of frescoes heralding the coming Renaissance. "Maybe it is Rome that influenced the Tuscan, Giotto, the others," said Carlo Fioravanti, director of the Passionist order of priests, which has taken care of the chapel for centuries. "We can talk of a 'school of Rome' in the same breath with Umbria and Florence."

Fioravanti ticked off the details of the frescoes. Note, he said, the flowery ornamentation and red background framing the depictions of the grisly martyrdoms of Saints Peter, Paul, Lawrence, Agnes and Stephen, as well as a miracle performed by St. Nicholas. See the landmarks that include Castel Sant'Angelo and a now-destroyed tower in Circo Massimo, identifying Rome as the site of the upside-down crucifixion of St. Peter. "Look at the noses," he said, pointing at the prominent beak on a man vigorously pumping air through bellows on a fire burning St. Lawrence. "These are not medieval noses. These are real."

The panel that includes the hairless face of Nicholas III, shown handing a model of the chapel to a waiting Christ, is stunning, such portraiture in a church, displaying great individuality, was thought to be out of the question in the Middle Ages. Zeri called it the "first known portrait of Italian painting."

Bruno Zanardi, a master restorer from Parma, carried out the cleaning, which cost about \$500,000.

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# Chinese Buyers Move Into Market to Reclaim Heritage

**L**ONDON — The ascent of Chinese art increasingly looks unstoppable. This week, neither the current economic worries nor the political uncertainties in the Far East appeared to affect prices or the volume of transactions in what has become the most dynamic area of the art market.

**SOURIN MELIKIAN**

The auctions held at Christie's on Monday and at Sotheby's on Tuesday gave some striking indications of its vigor. But the auction message could not be read without careful scrutiny of the performance. At times, the auctions, even at Christie's, where the total sold rose to a very substantial \$2.6 million (about \$4 million), seemed to be headed for disaster. The auction house had its best sale in years, but when 38 percent of the lots find no buyer, something is wrong somewhere.

In a nutshell, the auction houses do not have the guts to keep out third-rate pieces — or to compress reserves thrust upon them by speculators (to the point where these would become salable). Christie's must have been understandably keen to include a marvelous 15th-century red lacquer box, which it ran on its cover.

The snag is that it also took in a host of trifling objects from the same "European collection" that no place in a high profile auction. In the event, the lacquer box, inscribed with the imperial Yongle reign mark (1403-1424) fetched a sensational £100,500 but the glory of it was lost as one of two of the trifling pieces, of no remote interest to the attendance, failed to elicit bids.

Ironically, the importance of the other summer in the "European collection" failed to register with the cataloguer, so busy he must have been sorting out a myriad of pieces. The dish, decorated on the sides with turquoise dragons on deep blue ground, was entered as "late 15th/early 16th century." Lacking an imperial mark, it seemed to justify a £3,000 to £5,000 estimate. As it happens, however, it belongs to one of the very rarest classes of Ming porcelain. A furious bidding match broke out between dealers from America, Europe and Asia, sending the dish zooming to \$76,300. The winner? A Hong Kong collector, of course.

There were other triumphs for Colin Sheaf, the expert who put the sale together, and other glitches as well. A splendid bronze tripod vessel or "ding" of the 12th century B.C. ascended to \$36,700. It was

followed by two bronzes of the same period, which were equally splendid but never stood a chance — broken and restored, they should have had their estimates slashed by half or more, not the same estimates as the ding, which is intact. They did not sell.

Shortly after, there came a totally unnecessary group of bronze mirrors with datings ranging from the 2d century B.C. to the 8th century A.D. The cognoscenti, who appeared to put little faith in them, watched stoicly as they fell into emptiness, one after the other.

In any but the strongest market, pranks such as these can cost dearly. On Monday, they made not a shred of a difference. Better, there were some pleasant surprises. Excavated Tang earthenware figures are often difficult to sell, even good ones. That was not so on Monday.

A Japanese buyer went after a camel and its rider in eastern Iranian garb, for which he paid \$67,500 and, unable to resist another camel obviously from the same workshop, paid \$28,750 for the latter.

**I**t was nevertheless the Chinese who dominated the entire proceedings. Sheaf says that more than two-thirds of the sale in value was accounted for by Chinese buying — Hong Kong alone represents 23.5 percent of the total. The big surprise invariably affected objects that traditionally excite Chinese admiration — porcelain with reign marks that establish their imperial destination, objects d'art in the scholar's taste. A bowl of the Hongzhi period (1488-1505) more than tripled its high estimate as it reached \$36,200; it has just the right shade of imperial yellow — and, yes, the mark.

It all peaked with an 18th-century dish decorated in green on black with garden rocks and shrubs, and blossoms on the rim. Painted with a skill usually associated with hand scrolls, this is more beautiful than any piece of that exceedingly rare group yet seen on the market. With its Qianlong (1736-1795) mark, it proved irresistible to Chinese connoisseurs. A grand battle sent it flying to \$331,500, paid by King Kong Lee on the phone from Hong Kong on behalf of a collector.

Sotheby's replay of the game on Tuesday confirmed the extent of the Chinese onslaught on Chinese art. It was a more compact sale which totaled \$1.6 million and left 32 percent of the lots unsold (less than at Christie's, but still a huge proportion). Two incidents were revealing of the im-

part of the Chinese taste on price patterns. One concerns a dish decorated with vermilion dragons amidst blue and white wares, inscribed with the Yongle mark (1403-1424). It is not nearly as rare as the green and black dish. But it is beautiful — a beauty not instantly acknowledged in the West. At \$287,500, it exceeded its high estimate by a quarter and is now headed for Hong Kong. More surprising still to Western professionals, a bamboo root carving of a cabbage leaf, which they thought would go anywhere between \$2,000 and \$3,000, went up to \$46,600. A Hong Kong collector got it over the phone.

Had the story been confined to the auction scene, it might be argued that the Chinese are belatedly discovering the fun of the game. But what happened in the galleries leaves far behind the auction house performance. Eskenazi's stunning show which, as usual, stood out above all the others, gives the clue to what may be the ultimate secret behind the ever-soaring fortunes of the Chinese art market — a continuing capacity to surprise, sadly lacking elsewhere. I know of no other field where one dealer alone can come up with a dozen unrecorded masterpieces, two of which reveal hitherto unknown schools of sculpture.

A group of six pottery figures of women dancing, their arms raised to allow their long sleeves to flutter, represents an extraordinary addition to our knowledge of Han art. It is shocking that four of the six should have been sold to three different buyers, breaking up this mysterious ritual ballet, the meaning of which escapes us.

Yet this marvelous group is outshone by the unexpected pottery figure of a Tang lady of the court molded around 700 A.D. with a sophistication in the detail and the expression on the face that places it very high up in what André Malraux called "The Imaginary Museum of World Sculpture." By Wednesday night, sales at Eskenazi's added up to "over \$4 million," according to the London dealer, about 10 percent of it courtesy of Chinese buyers.

These were everywhere. They bought the finest jades from S. Marchant's selling exhibition on view at 120 Kensington Church Street until July 7, and a host of scholarly taste objects d'art from the Oriental Arts Gallery at 4 Davies Street. Marchant wisely remarked that some of the jades beaded East came from great European collections. Indeed. What happened this week in London goes far beyond the art market. It smacks of cultural repossession.



Among treasures found in galleries are these earthenware dancing figures from Western Han period in China.

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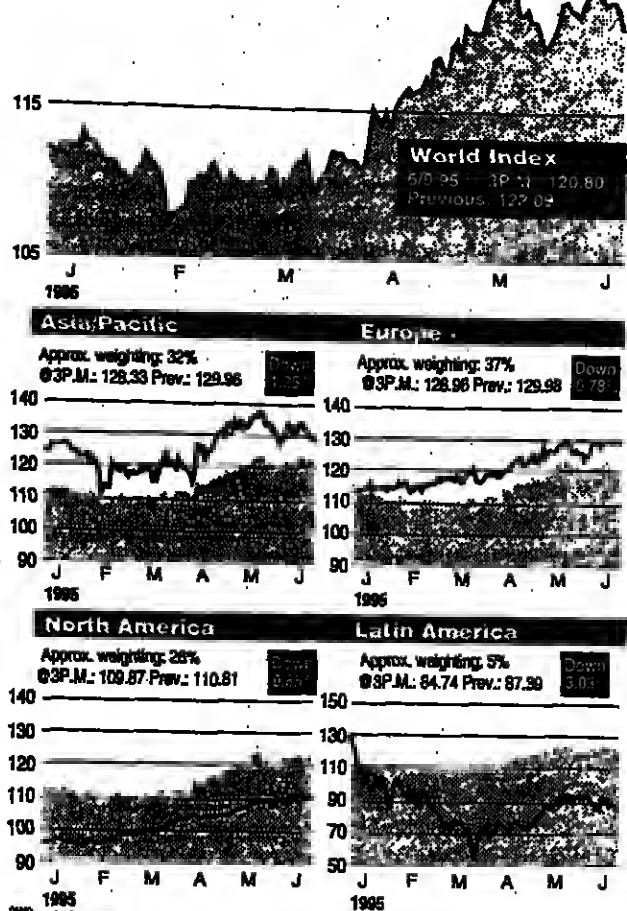
SATURDAY-SUNDAY, JUNE 10-11, 1995

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## THE TRIB INDEX: 120.80

International Herald Tribune World Stock Index, composed of 280 International Investable Stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar value of stocks in Tokyo, New York, London, and other major markets. The index is composed of the 280 top issues in terms of market capitalization, otherwise the top 100 stocks are tracked.

Industrial Sectors	PL	PL	PL	PL	PL	PL	PL	PL	PL
	1994	1995	1996	1997	1998	1999	2000	2001	2002
Energy	124.42	125.80	-1.10	123.62	124.58	-0.75	123.62	124.58	-0.75
Utilities	131.13	132.87	-1.31	131.13	132.87	-1.31	131.13	132.87	-1.31
Finance	119.95	121.43	-1.22	119.95	121.43	-1.22	119.95	121.43	-1.22
Services	112.38	113.28	-0.88	112.38	113.28	-0.88	112.38	113.28	-0.88

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

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## Microsoft Finds Itself Under New Antitrust Inquiry

By Elizabeth Corcoran  
Washington Post Service

WASHINGTON — The Justice Department's antitrust division is looking into how an electronic network that Microsoft Corp. plans to launch in August might affect the on-line industry.

America Online, CompuServe and Prodigy, the United States' three leading commercial on-line services, received requests for information from the Justice Department this week, company representatives said. The Justice Department asked the companies to respond on an unusually tight deadline: ideally, by Friday.

"We have a lot of this information assembled," said Kent Stuckey, general counsel for CompuServe. "The request is actually a continuation of a dialogue that has been going on for some time."

[Microsoft confirmed Friday that the Justice Department had requested information about its new on-line service, The Associated Press reported. It said it was "cooperating fully with the Justice Department and remains confident that its plans are legal and in the best interest of consumers."]

This is the third time the

Justice Department has looked at the business practices of Microsoft, the world's largest personal-computer software company. Last summer, after a five-year government investigation, Microsoft agreed to change how it licensed its DOS and Windows operating-system software. That settlement has yet to be approved by a judge.

In April, the department filed suit against Microsoft's plans to acquire Intuit Inc., America's biggest provider of personal-finance software, causing Microsoft to drop the deal.

The department would not confirm the precise nature of its inquiry into the network. "We're looking at the possibility of anti-competitive practices in the computer-software industry," said Gina Talamona, a spokeswoman.

On-line services allow people to link their computers over phone lines to send and receive electronic mail, read news and buy goods.

At issue for Microsoft's on-line competitors is whether the company's dominance of the market for operating-system software would give it an unfair advantage as it moves into the new realm of on-line services.

## Bonds Plunge on Japan Rumor

Compiled by Our Staff From Dispatches

NEW YORK — Prices of U.S. Treasury bonds plunged Friday on rumors that the Japanese government had told investors to avoid U.S. securities.

A spokesman in Washington for Japan's Finance Ministry denied the rumors that Finance Minister Masayoshi Takemura had counseled Japanese investors to dump U.S. securities.

Nonetheless, the price of the benchmark 30-year issue fell 1 20/32 point, to 111 17/32, taking the yield up to 6.72 percent from 6.60 percent Thursday.

The stock market followed the lead of bonds, with the Dow Jones industrial average closing down 34.58 points, at 4,423.99. Losing issues outnumbered gaining ones by a 3-to-1 ratio on the New York Stock Exchange.

Lawrence H. Summers, undersecretary of the U.S. Treasury, said he did not think it was a "serious concern" that Japan would retaliate against the United States for its threatened auto sanctions by shunning U.S. bonds.

The threatened sanctions are

set to go into effect on June 28 if the United States does not reach an agreement with Japan on more open markets for cars and car parts.

Mr. Summers made no further comment on possible bond sales by Japanese investors but said "a more open Japanese market and reduced Japanese current account balance would make a healthy contribution to the world economy."

The bond market also remained under pressure from speculation that the Federal Reserve Board would not cut

interest rates soon. Bond prices have dropped for three days, since Alan Greenspan, the Fed chairman, suggested the U.S. economic slowdown would be temporary. Other Fed officials have offered similar hints at steady rates.

Robert Farry, president of the Federal Reserve Bank of San Francisco, said Thursday that the U.S. economic slowdown, while worse than expected, would be followed by a rebound.

"I don't think there's any See BONDS, Page 12

## U.S. Moves Dim Hopes For Auto Talks' Success

Compiled by Our Staff From Dispatches

GENEVA — The United States provided little reason Friday to hope for a breakthrough in its auto-trade dispute with Japan during talks in Geneva next week.

In announcing the team that will represent Washington, an official of the U.S. Trade Representative's Office said that the talks were not likely to last more than one day.

"Whether the meetings run through Tuesday the 13th depends on how much time is left to discuss," Ira Shapiro, the general counsel, said. "At this point, I think one day will be sufficient."

"Our course is set," he added, referring to punitive tariffs announced against some Japanese luxury cars. "Unless we have a successfully negotiated agree-

ment between now and June 28, we will impose sanctions."

The negotiating team will be led by Catherine Fields, an assistant to Mr. Shapiro. She will be assisted by Andy Stoffer, the deputy U.S. ambassador to the World Trade Organization.

Japanese officials made clear that they had expected the delegation to include more senior officials.

"This seems a clear sign that Washington recognizes not much is going to come out of this meeting," said one senior trade envoy in Geneva, "and that all they can do is agree to disagree."

European Union officials said Brussels would not attend the talks because Washington had attached unacceptable conditions on its participation.

(Reuters, AFX, Bloomberg)

## Japanese Firms More Optimistic

Compiled by Our Staff From Dispatches

TOKYO — Japan's business outlook has improved, although the powerful yen and a slowdown in the U.S. economy remain causes of concern, the Bank of Japan said Friday in its quarterly survey on the economy.

The tankan survey, conducted in May, showed a slight improvement in business sentiment from the previous survey in February.

The survey also that major Japanese companies plan a 3.2 percent increase in capital investment in the year to March 31, 1996, after an 8.3 percent fall in capital spending in 1994-95. "The slow recovery is continuing," said Kunihiko Takashima, the Bank of Japan's director of research and statistics. He said low interest rates would encourage major manufacturers to spend more on equipment.

In April, the central bank cut its discount rate — the rate at which it lends money overnight to commercial banks — to a record low of 1.0 percent in an attempt to fuel economic growth.

But economists and investors were not convinced of the survey's rosy outlook. In the minutes after the survey was released, Tokyo's benchmark stock index fell to its lowest level in 34 months. The Nikkei Stock Average finished down 2.58 percent at 15,044.18 points.

The survey "came out a bit better than expected, but the feeling is that the BOJ is too optimistic," said Philippe Huber, assistant director of equity trading at UBS Securities in Tokyo. Analysts said a closer look at the survey reflected persistent problems in the economy. The business managers who responded to the central bank's questionnaire said the economy was burdened with too many unproductive workers and that consumers still were not buying.

"Just as many indicators in the tankan point to an economic stall as to a continued economic recovery," said Donald Kimball, an economist at Mitsubishi Bank. "The major worry is the grim outlook for employment."

Companies also expect prices to continue falling, which will pinch profit margins and cause further cut-backs. The tankan's key figure, known as the diffusion index, is calculated by subtracting the percentage of respondents who say business conditions are worse from the percentage of those who say they are better. Those who answer "neutral" aren't counted. A negative number means a greater percentage of companies are pessimistic.

The diffusion index for major manufacturers dropped to a low of negative 16 in May 1994. Since then, it has improved every quarter, reaching a negative 16 in this survey.

But recent economic statistics show companies they have reason to be concerned. In April, the nation's unemployment rate rose to a record 3.2 percent and industrial production fell.

(Bloomberg, Reuters)

## ITT Sells Finance Units for \$5.5 Billion

Compiled by Our Staff From Dispatches

NEW YORK — ITT Corp. said Friday it had completed agreements to sell the remaining parts of its ITT Financial Corp. in three transactions valued at \$5.5 billion in cash and the assumption of liabilities.

The sales mark ITT's exit from the business of making loans to consumers and businesses. The company wants to focus on insurance, auto parts, lodging and entertainment.

ITT has created separate corporate groups for the three remaining businesses, in what analysts suspect is a preliminary move toward splitting them up into publicly traded companies.

But the company declined to provide details of the new agreements to sell ITT Residential Capital Corp., Lyndon Insurance Group's reinsurance business and a portfolio of real estate loans and properties in Southern California. Reinsur-

ance Group of America Inc., based in St. Louis, said it was acquiring Lyndon.

This year, ITT sold other ITT Financial units for about \$7 billion in cash and the assumption of liabilities.

The company said it expected gross proceeds from all of the sales of about \$13 billion and net proceeds of \$3 billion to \$3.5 billion.

ITT shares fell 87.50 cents to close at \$109.125.

As part of its move to expand in the entertainment business, ITT this year acquired the casino company Caesars World Inc. for \$1.7 billion. In partnership with Cablevision Systems Corp., it also purchased Medi-

son Square Garden Corp. and its sporting teams for \$1 billion. Last month, ITT completed the sale of its Puerto Rico-based Island Finance unit to Norwest Corp. for \$1.48 billion in cash and the assumption of debt. The company also sold its ITT Commercial Finance unit to Deutsche Bank AG for \$2.6 billion in cash and debt.

At one time, ITT had 275 businesses, accumulated mostly in the 1960s and 1970s during the reign of former Chairman Harold Geneen. The company's current chairman, Rand Araskog, has spun off and sold several units, while acquiring businesses in a few chosen fields.

(Bloomberg, AP)

## It's Insider Trading Time Again on Wall Street

By Susan Antilla  
New York Times Service

NEW YORK — With the frenzy of merger deals and takeover battles these days, it seems like old times on Wall Street in more ways than one.

Securities regulators say they are opening investigations into insider trading at a rate not seen since the mid-1980s, the era in which Ivan Boesky, who went to jail for trading on inside information, became a household name.

Regulatory alarm bells went off again this week after International Business Machines Corp. disclosed its hostile \$60-a-share offer for Lotus Development Corp. That bid pushed up the value of Lotus shares by 89 percent Monday, the day it was announced, and caused regulators to begin looking into suspicious trading the previous week.

Other cases brought to light recently involved Lockheed's

merger last year with Martin Marietta, another military contractor, and AT&T Corp.'s acquisition of NCR Corp.

"It's a growth industry," said William McLucas, director of the division of enforcement at the Securities and Exchange Commission. "In terms of raw numbers, we have as many cases as we've had since the 1980s, when we were in the heyday of mergers and acquisition activity."

Through the end of May, the National Association of Securities Dealers, which oversees the Nasdaq electronic trading market, had already referred 47 cases to the SEC for investigation into possible insider trading, said James Cangiano, the

NASD's senior vice president for surveillance.

If the pace of suspect trading continues at that rate, it would mean the NASD would surpass the record 110 insider trading referrals it made to the SEC in 1987, he added.

The same holds true for the New York Stock Exchange, where investigators have opened three times as many insider trading cases so far this year as they had by this date in 1994.

The Lotus case seems typical. In the days before the IBM announcement, trading in Lotus stock on Nasdaq and in Lotus options, which are traded on the American Stock Exchange, was unusually heavy.

"I think you can presume we are looking at it," Mr. Cangiano said.

And while the SEC does not comment on pending investigations, Wall Street professionals say that the agency has undoubtedly begun an investigation of Lotus trading.

Those trading on insider information apparently include fewer Wall Street professionals than they did in the 1980s, regulators say.

Those who take advantage of privileged information now tend to be corporate officers, directors and their families, friends and lovers, according to executives at the stock exchanges and lawyers who represent defendants.

But the game — and the potential profits — are the same: Get information about a proposed deal that might raise the shares of a publicly traded company before it is announced, and buy the stock ahead of the news.

Better yet, buy the options, which cost less and tend to attract less regulatory scrutiny.

Then, after the public learns what the insiders knew ahead of time, it's time to get out with a quick profit.

The initial rounds of suspect trading of the last year or so differed from those of the 1980s in that they generally did not focus on big names in the securities business.

## CURRENCY & INTEREST RATES

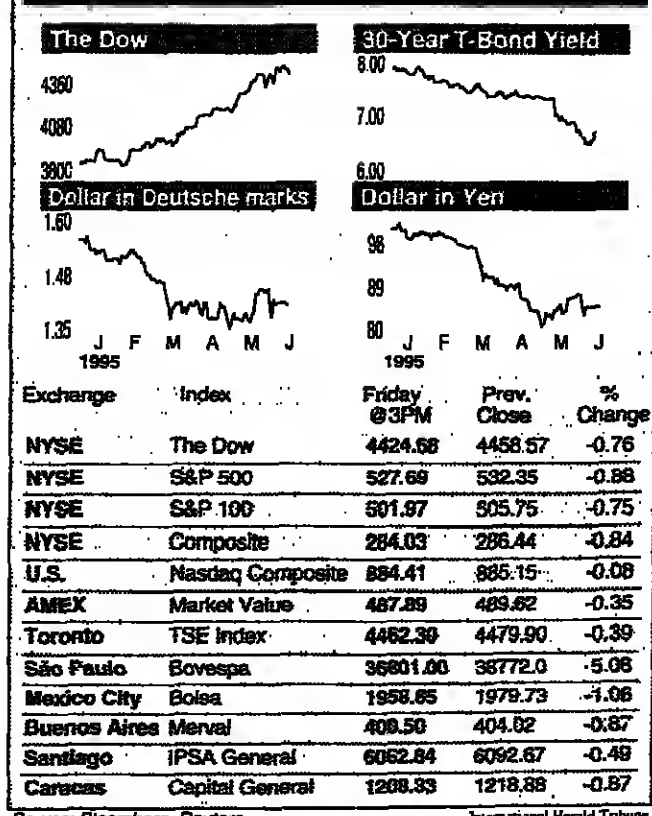
Cross Rates	June 9	June 9	June 9	June 9	June 9	June 9	June 9	June 9	June 9
Australian	1.56	1.57	1.58	1.59	1.60	1.61	1.62	1.63	1.64
British	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73
Canadian	1.42	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.50
French	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
German	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
Italian	1.36	1.37	1.38	1.39	1.40	1.41	1.42	1.43	1.44
Japanese	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Netherlands	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
Portugal	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28
Spain	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
Sweden	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
Switzerland	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
Taiwan	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
UK	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74
US Dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Changes in Amsterdam, London, New York, Paris, Toronto and Zurich, figures in other currencies. To buy one pound, to buy one dollar, to buy one yen, to buy one franc, to buy one mark, to buy one Swiss franc, to buy one Australian dollar, to buy one Canadian dollar, to buy one Japanese yen, to buy one Italian lira, to buy one Portuguese escudo, to buy one Spanish peseta, to buy one Swedish krona, to buy one Swiss franc, to buy one US dollar, to buy one British pound, to buy one French franc, to buy one German mark, to buy one Japanese yen, to buy one Italian lira, to buy one Portuguese escudo, to buy one Spanish peseta, to buy one Swedish krona, to buy one Swiss franc, to buy one US dollar, to buy one British pound, to buy one French franc, to buy one German mark, to buy one Japanese yen, to buy one Italian lira, to buy one Portuguese escudo, to buy one Spanish peseta, to buy one Swedish krona, to buy one Swiss franc, to buy one US dollar, to buy one British pound, to buy one French franc, to buy one German mark, to buy one Japanese yen, to buy one Italian lira, to buy one 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## THE AMERICAS

## Investor's America



## Very briefly:

## CNN to Start Business News Service

NEW YORK (Combined Dispatches) — CNN, the U.S. cable television news network owned by Turner Broadcasting System Inc., won approval from its parent Friday to start a weekday business news service.

The business coverage, from 7 A.M. to 7 P.M., would be supplemented at night and on weekends by the CNN International channel, which is devoted to foreign news. The service would begin in January.

The new service will compete with General Electric Co.'s CNBC channel, and executives there said the company might counter by launching an all-news channel to compete with CNN. The Turner board discussed, but did not announce, whether it would make a \$1.9 billion stock bid for King World Productions Inc., three executives said.

U.S. antitrust laws banning price-fixing apply to the fashion industry as they do to other products or services, the Federal Trade Commission said Friday.

General Electric Capital Corp. will acquire AmeriLife Assurance Co., a unit of American Express Co. Terms were not disclosed.

Westinghouse Electric Corp. agreed to sell its luxury real-estate development unit for about \$550 million to a group of investors led by the Florida developer Al Hoffman, officials familiar with the agreement said.

Mesa Air Group Inc. rejected a suggestion by a key shareholder that managers consider selling the company to increase its value.

Central & South West Corp. said it canceled a \$2.2 billion merger agreement with the bankrupt El Paso Electric Co., which said it might sue over the decision.

## Japanese Firms Selling U.S. Realty

By James Sternkopf  
New York Times Service

LOS ANGELES — Japanese companies, which unleashed one of the biggest international flows of investment ever when they flooded the United States with capital during the 1980s, are selling off many of their U.S. assets with growing haste in a critical area, real estate, a survey shows.

The trickle of sales of troubled real estate projects turned into a wave of auctions and negotiations last year, according to an annual survey by the E&Y Kenneth Leventhal Real Estate Group in Los Angeles. Japanese investors sold or were on the verge of selling \$6.4 billion worth of U.S. property last year, according to estimates in the report, and could sell as much as \$10 billion more this year.

By comparison, Japanese companies were net sellers of less than \$3 billion of U.S. property in 1993.

Sixty percent of the U.S. real estate sold by Japanese interests last year was in California or Hawaii.

Perhaps the most striking aspect of the

sell-off is the fact that Japanese companies are suffering huge losses in the process. The report estimates that the properties being sold are fetching only about 60 percent of what the companies had paid for them.

For instance, Sazale Group was recently reported to have sold the Hotel Bel Air for about \$60 million; the Japanese company had acquired it in 1989 for \$110 million.

Such losses have led some experts to say that more Japanese companies would like to unload properties but have not because they cannot afford to realize the losses.

"Much of what can happen depends on the capability of the company to absorb a loss," said Kenji Ogawa, head of the real estate finance group here for the Bank of Tokyo. "Not all companies are in a position to do that."

The sell-off is part of a large-scale re-orientation by Japanese companies. In the span of a decade, many Japanese companies went from ebullient international investors — paying unheard of prices for everything from universities in Australia and floating hotels in Vietnam to Rockefeller Center — to financial cripples because of Japan's recession and their reckless practices.

"This has not left any particularly lasting impact," said Paul Alston, a Honolulu lawyer who has worked with Japanese concerns on several real estate transactions there, particularly hotels. "They came in, paid huge prices and were unrealistic about what they could get in room rates. The market has now taken care of that."

To put the sales in perspective, during the peak years for purchases, 1987 through 1990, Japanese companies acquired \$57 billion worth of American property, according to the Kenneth Leventhal estimates.

First and foremost, the report said, the current sales are generally motivated not just by financial problems at the companies that own them, but by their bankers.

That means that the Japanese government, which exercises significant influence over the financial sector, is a major player in the strategy.

"You can't put all the problems at the feet of the Japanese banks," said Robert W. Dabab, a lawyer who has worked extensively with Japanese concerns on real estate transactions. "The government has had a big role in all of this. They set the policies."

## U.S. Tries to Expand Foreign Access for Banks

The Associated Press

WASHINGTON — The White House is reporting little success in efforts to expand overseas business opportunities for U.S. banks, brokerage houses and insurance companies.

Treasury Secretary Robert E. Rubin and U.S. Trade Representative Mickey Kantor said the negotiations, taking place in Geneva, were likely to go down to the June 30 deadline.

"We are working very hard, through talks in Geneva as well as high-level meetings around the world, to win new opportunities for our firms to compete worldwide," Mr. Rubin told the Senate Banking Committee on Thursday.

"Our goal is to gain commitments from the key developed and developing countries that they will open their markets to our financial services firms and treat our firms as they treat their own."

Opening markets in financial services had been a top negotiating goal of the United States during the seven-year effort to rewrite the rules governing world trade.

That trade agreement went into effect at the beginning of this year under the auspices of the new World Trade Organization. But Washington blocked implementation of the financial services portion of the agreement, contending that the market-opening offers from other countries were inadequate.

Technology stocks, which

## Rumors Buffet the Dollar Despite Signs Inflation Is in Check

NEW YORK — The dollar slipped against most major currencies Friday despite fresh news that the slowing U.S. economy was keeping inflation in check.

Much of the decline was attributed to speculation that Japan's Ministry of Finance had told Japanese investors to sell U.S. Treasury bonds. But both U.S. and Japanese officials dismissed the rumors, and the dollar trimmed its losses afterwards.

The dollar also received some help by news from the Labor Department

that the producer price index were unchanged in May, the second month in three it has held steady.

Beef, poultry, vegetable, auto and natural gas prices all declined.

The index rose 0.5 percent in April. For the year, wholesale prices are

Foreign Exchange

rising at an annual rate of 2.7 percent, compared with 1.7 percent for all of 1994. Wholesale prices posted 0.3 percent gains in January and February. Still, a slowdown in inflation does

not guarantee that the Federal Reserve will lower interest rates, warned Scott Brown, an economist at Raymond, James & Associates in St. Petersburg, Florida.

Lower interest rates often hurt the dollar by making bank deposits denominated in the currency less attractive.

The dollar slipped to 1.4053 Deutsche marks in late trading from a close of 1.4082 DM on Wednesday and to 34.350 yen from 34.645 yen.

It also weakened to 1.1595 Swiss francs from 1.1615 francs and to

## RUMOR: Bond Prices Tumble

Continued from Page 11

question that the statements that have been made have really put people on the defensive," said James Kenney at Prudential Securities in New York.

U.S. Stocks

"They're back into the mode that the Fed is not going to ease."

That sentiment also pervaded the stock market, where investors worried that maintaining interest rates would allow the economy to slip further toward recession.

"The mystique of the painless 'soft landing' is now suspect, and the reality principle is coming back to Wall Street," said Michael Metz, chief market strategist at Oppenheimer and Co.

With the economy slowing, many companies will find it hard to maintain a two-year streak of record earnings, analysts said. Several companies, including Rubbermaid, Banyan Systems and Microtec Research, said Friday that they would not live up to Wall Street's profit expectations.

"Companies like Rubbermaid are supposed to be the kind of stocks that do well in a slowing economy, and its forecast for lower-than-expected earnings is giving pause to some of the common theories of who does well in this environment," said Todd Clark, managing director in equity trading at Rodman & Renshaw.

Rubbermaid fell 4 1/2 to 26 1/2.

Technology stocks, which

had been leading the stock rally, also were weak.

General Motors' class E stock, which represents its Electronic Data Systems subsidiary, was the most actively traded issue on the Big Board, falling 1/4 to 42 1/2.

IBM slipped 1/4 to 89, and Banyan Systems fell 5 1/16 to 12 1/2. Banyan, a developer of computer networking software, also was hurt by a lower earnings estimate from the company.

"Mr. Greenspan made his case very clear that he's not going to act anytime soon," said Richard Ciardullo, at Liberty Investment Management Inc.

"That means the groups that have been leading the way, like technology and some of the cyclical, will be the first to fall."

Philip Morris fell 1/4 to 70 1/4, losing for a second day after reports that the cigarette maker had studied the effects of nicotine, seemingly in conflict with the company's position that cigarettes should not be regulated like a drug.

General Electric fell 1 to 55 1/4 after its General Electric Capital subsidiary said it would buy an American Express life-insurance unit.

Smith Corona fell 1/4 to 1 1/4 after the typewriter maker said it was in technical default of a credit agreement, blaming a previously reported \$22 million pretax restructuring charge. The company said it was still in talks with its lenders but had no assurance that it could successfully amend the agreement.

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"The economy is almost dead solid perfect where the Federal Reserve wants it to be," said Ron Schreindor, vice president at the National Association of Wholesaler-Distributors. "Talk of an imminent recession is overblown."

"This number is neutral for the dollar," said Earl Johnson, currency adviser at Bank of Montreal/Harris Bank in Chicago, referring to the price index. "It doesn't say tighten or ease."

The economy grew at a 2.7 percent annual rate in the first quarter of the year.

(Bloomberg, Reuters, AP)

## Friday, June 9

## Prices in local currencies

## Tel Aviv

## Amsterdam

## Bangkok

## Bombay

## Brussels

## Copenhagen

## Frankfurt

## Helsinki

## Hong Kong

## Jakarta

## London

## Madrid

## Manila

## Mexico

## Milan

## Moscow

## New York

## Osaka

## Paris

## Rangoon

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## Taipei

## Tel Aviv

## Tokyo

## Toronto

## Zurich

## High Low Close Prev.

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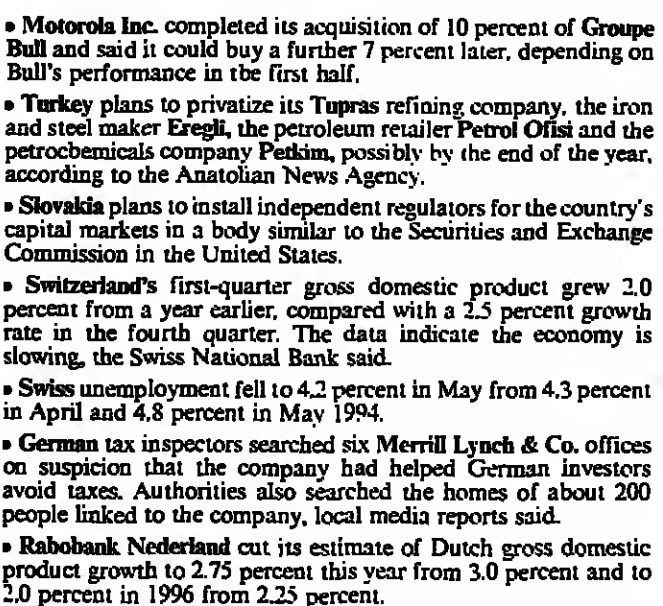
## ***Insider Trading at the Top?*** **London Reviews Government Privatizations**

**West Germans** **M**

Swiss wage costs were the second highest, at 41.47 DM an hour, followed by Belgium at 37.35 DM. Japan was fifth, at 36.01 DM, and the United States ranked 13th, at 27.97 DM.

Other economists said the data showed that the overall trade deficit was on a narrowing trend and matched the upbeat message sent by Confederation of British Industry surveys, which have been far more positive on output and export growth than official data. (Reuters, Bloomberg)

Holvís shares were down 2 francs at 502, while BBA's shares fell 1 pence to 239 pence (\$3.80). (Bloomberg, Reuters)



The dollar was fixed Friday at 4,881 rubles on the Moscow Interbank Currency Exchange, down from 5,181 rubles Thurs-

Mr. Santer also said the European Union's efforts to bring economies of member nations into compliance with the Maastricht Treaty's criteria for creating a single currency should serve as a model of monetary

He said he would bring up the matter during the summit meeting.

He added that he regretted there had been no international coordination over currency levels recently like the efforts that followed the Plaza and Louvre agreements of the 1980s.

[illegible]



## ASIA/PACIFIC

# Big Life Insurers Are Abandoning Tokyo's Bourse

Compiled by Our Staff From Dispatches

TOKYO — Japan's struggling economy and falling asset prices have turned its big life insurers, once considered staunch supporters of stocks, into some of the market's biggest sellers.

Insurers sold 340 billion yen (\$4 billion) of stock in May, analysts said Friday, most of it sold by Japan's eight largest life insurers. Some said that selling helped explain why the Nikkei stock average has fallen almost 25 percent this year, as the country's 27 life insurers own roughly 14 percent of corporate Japan.

"The bad news for the market is that only one or two of the life companies seem to have begun their adjustment right now," said Andrew McGrath, an independent trader based in Hong Kong. "If the others join in, there's an enormous amount of potential selling."

The market will get a hint of just how eager life insurers may be to raise cash Monday, when the Big Eight companies report their earnings for the latest financial year.

Japanese life insurers used to be considered among the least likely sellers of large blocks of stock. Not only were their portfolios part of the intricate web of cross-shareholdings that linked companies, but as some of Japan's biggest investors, they would be sensitive to the fact that any attempt to sell on a large scale was sure to force prices lower.

Japan's flagging economy has changed things, however, making stocks look overpriced and sparking a rally in bonds.

"Due to justifiable concern over the economic recovery, investors, including the life insurers, are shying away from equities," said Andrew Shipley, an econo-

mist at Lehman Brothers. "There's been a shift of interest from the stock market to bonds, and there's no reason to expect we'll see that change soon."

Prime Minister Tomiichi Murayama on Friday issued a plea for unspecified major steps to support the stock market. "I'm very much concerned," he said. "We need drastic measures, which should be created apart from conventional ideas."

Mr. Murayama made the remarks after the Nikkei index fell below 15,000 points late Friday for the first time since August 1992.

Japanese life insurers have recently been faced with a potent concoction of financial troubles. As their shareholdings have fallen, declining interest rates have eaten into their income from lending and bonds. But they are obligated to pay policyholders benefits that were agreed upon back in the 1980s when their profitability was at a high level.

Meanwhile, they need to work off 5.3 trillion yen in non-performing loans, and the government is leaning on them to reduce their exposure to risky investments.

Moreover, the way in which life insurers invest their money can have significant consequences for other investors.

"The biggest threat to the market is that they'll continue to become more risk-averse, selling stocks and buying bonds," said David Threadgold, an industry analyst at BZW Securities.

But the trouble for life insurers is that, as the market has taken its 60 percent tumble since 1989, the profits on their core holdings have dwindled — in some cases, to nothing.

(Bloomberg, AFP)

# Brokering the Power in Indonesia

## Demand for Energy Soars

By Paul Blustein  
Washington Post Service

JAKARTA — It was the dawn of the 1990s when California-based Mission Energy Co., looking overseas for the first time, commissioned a study to find the most promising market for its power-plant business.

"Indonesia came on the screen as a high target," recalled Robert Edgell, a Mission vice president.

Demand for power in Indonesia, which has a reputation for political stability and is the world's fourth-largest country in population, is surging at more than 15 percent a year as factories sprout throughout the archipelago, especially on the main island of Java.

The state-owned utility, PLN, has been unable to keep up with demand despite a huge building program in the late 1980s. So about five years ago, the government began considering proposals from private groups interested in building a power plant with the aim of supplying electricity to the state utility under a long-term contract. The plant was to be in Paiton, next to an existing power facility.

Mission teamed with two other internationally recognized giants, General Electric Co. and the Japanese trading firm Misumi & Co., to bid. But by early 1992, the government had declared its intention to deal with a consortium led by a little-known U.S. firm, Intercontinental Electric Inc., and the Indonesian conglomerate Bimantara, headed by President Suharto's second son.

The Mission group had its own influential member — Hashim Djojohadikusumo, a Jakarta businessman whose brother is married to one of the president's daughters. A Hashim-owned company joined the Mission group with a 15 percent interest and a contract to supply the Paiton plant with low-sulfur, clean-burning coal from Borneo.

Mr. Hashim personally pitched the advantages of the Mission consortium to the president, and in May 1992 the government decreed that the two groups should share the project. A few months later, after the groups had failed to reach an agreement, the Mission-led consortium received permission to start negotiating an electricity supply contract ahead of the rival group.

While saying that his group won because it had "the superior product," Mr. Edgell acknowledged that Mr. Hashim's connections were "a contributing factor" behind the decision to bring him into the consortium.

For 18 months, the Mission group was locked in negotiations with Indonesian authorities over the terms under which the Paiton plant would operate.

"It was a very interesting cultural experience — having Indonesians, Americans and Japanese involved," said Raymond Vickers, a Hong Kong-based lawyer with long experience in Indonesia who was called in by Mission when the negotiations appeared headed for a stalemate.

The two sides finally signed a contract in February 1994, but it wasn't until six weeks ago that the last big hurdle — arranging the financing — was surmounted after more tough bargaining.

## A Local Tycoon Emerges

Washington Post Service

JAKARTA — Foreign investors who bet a bundle on big projects in this part of the world would be well-advised to find a local partner with solid connections to the powers that be — someone like Hashim Djojohadikusumo, who at 40 is as rich and well-connected as his name is long.

Mr. Hashim, the local partner in the high-profile Paiton power-plant project, is a man whose fortunes are rising quickly, just like his rapidly modernizing country.

A small fish in Jakarta's business pond until the late 1980s, Mr. Hashim has emerged as one of Indonesia's most prominent tycoons. His stake in PT Semen Cibinong, the publicly traded cement company he controls, is worth more than \$180 million, according to recent prices for its shares on the Jakarta stock exchange, and he stands out as one of the few pribumi — indigenous Indonesians — who have attained financial success in a country where most of the wealth is held by the ethnic Chinese minority.

Foreign companies looking to invest in Indonesia have been knocking down his door. In addition to the Paiton project, he is joining forces with Merrill Lynch & Co. to form a Jakarta brokerage firm and has invested in high-rise building projects with Kajima Corp., the Japanese construction giant.

But his success, and his popularity with foreign investors, is not attributable solely to his business acumen. Connections count in Indonesia, and Mr. Hashim has plenty of them.

His brother, a rising army officer, is married to one of President Suharto's daughters. His father, Sumitro, is an economics professor who has served as a cabinet minister.

While some of Mr. Hashim's critics dismiss him as just another "crony capitalist," other members of Jakarta's business community view him as a breed apart from the presidential relatives who make quick bucks by grabbing government contracts or arranging special deals with the authorities.

Mr. Hashim's admirers, while acknowledging that he exploits his connections, contend that his businesses will continue to thrive long after Mr. Suharto leaves the presidency.

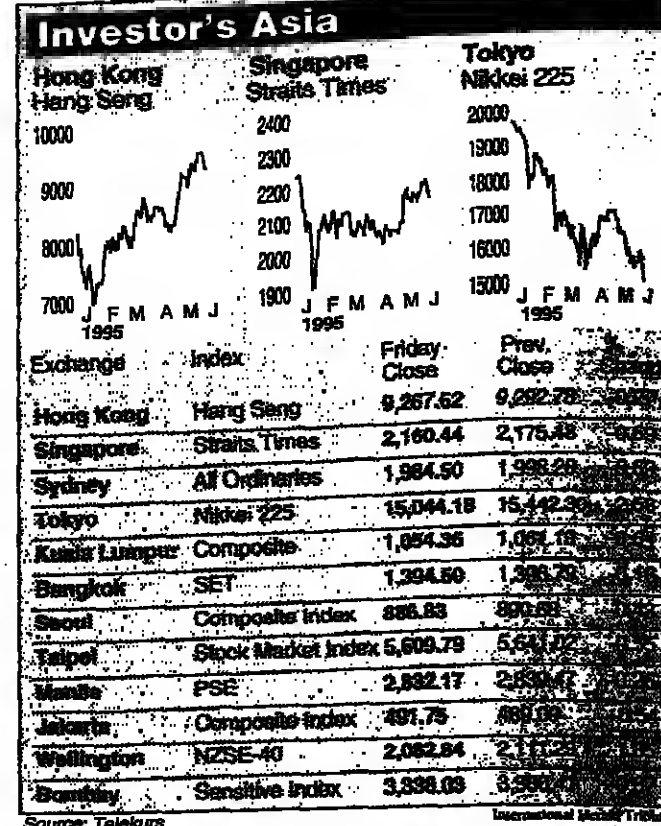
"He's the real deal," said a foreign resident of Jakarta who heads the local operations of an international brokerage firm. For his part, Mr. Hashim takes a matter-of-fact view. The importance of connections, he says, "is part of our system and predates President Suharto." Mr. Hashim speaks flawless English learned while growing up overseas. His undergraduate degree is from Pomona College in California.

After returning to Indonesia in 1978 and starting a small trading company, Mr. Hashim made his first big splash on the business scene in 1987, when he bought a controlling share of Semen Cibinong, Indonesia's second-largest cement company, from its British owners. The deal established him as a young man with plenty of clout who was ready to use it.

Backed with credit from friendly bankers, he had relatively few resources of his own — Mr. Hashim bid \$20 million, only to be outbid by a \$26 million offer from a Mitsubishi company. Mr. Hashim matched the Mitsubishi bid and took his case to Mr. Suharto's government.

The government concluded that Mr. Hashim should win, in the spirit of "Indonesianization."

—Paul Blustein



## Very briefly:

- Nippon Telegraph & Telephone Corp., which currently employs 200,000, plans to cut 30,000 jobs by March 2000 and will announce details by the autumn, the Nihon Keizai Shimbun said.
  - Malaysia, whose economy has grown more than 8 percent annually for eight years, is confident of surpassing that figure this year as well, Deputy Finance Minister Affendun Omar said.
  - TV New Zealand is selling its 29.5 percent stake in Asia Business News to the satellite broadcaster's two U.S. partners, Dow Jones & Co. and Telecommunications Inc.
  - South Korea plans to scale back the role of its Ministry of Finance and Economy, saying 12 of 47 ad hoc committees now under the ministry's umbrella would be eliminated, including those dealing with personnel and real estate prices.
  - Foster's Brewing Group Ltd. said its first Chinese brewer, called Fu Shi Da, was launched in Guangzhou.
  - Thailand's prices in May were up 5.4 percent from a year earlier, the same rate as in the year ended in April.
  - Japan cut interest rates on official loans to developing countries by an average of 0.4 percentage point to help ease the burden of the rising yen.
- Reuters, Bloomberg, AP, AFP, Knight-Ridder

## U.S. Offers Regrets to India

Bloomberg Business News

NEW DELHI — The American ambassador to India, Frank Wisner, has expressed regret to Prime Minister P. V. Narasimha Rao over a recent U.S. Energy Department statement about the controversial Dabhol power plant, a local newspaper reported Friday.

Mr. Wisner, responding to a telephone call from Rao's aide, accepted the Maharashtra state government's right to review the U.S.-sponsored plant and said he hoped the June 2 statement would cause no lasting misunderstanding, the report said. The statement warned India that other internationally funded power projects could be jeopardized if it went back on an agreement for construction of the plant, which is 80 percent owned by Enron Corp. of Houston.

# CITIC Pacific Says Auto Unit Will Slow Its Earnings Growth

Bloomberg Business News

HONG KONG — CITIC Pacific Ltd., the Hong Kong arm of China International Trust & Investment Corp., said Friday that it expected earnings growth to slow this year as it maintained its focus on infrastructure, property and trading.

The conglomerate, which saw earnings rise 36 percent in 1994, to 2.57 billion Hong Kong dollars (\$332 million), said it had been hit this year by a slowdown at its Dah Chong Hong automobile trading unit.

Sales at the unit fell 40 percent in the first four months of the year from the comparable period in 1994, said Larry Yung Chi-kin, chairman of CITIC Pacific. He said the unit was taking steps to cut costs.

To compensate, CITIC will step up its property business in 1995 and will join other developers in vying for the site of a former British naval base at Hong Kong's Victoria Harbor, Mr. Yung said.

The British Navy's Tamar Basin site is being sold to private developers as the territory prepares to revert to Chinese rule in July 1997. The tender for the 3,480-square-meter (4,176-square-yard) site in Hong Kong's Admiralty area will close July 28.

CITIC Pacific also is seeking a partner for a bid to build a 20 billion dollar railway station in the territory's Central Business District, Mr. Yung said. Cheung Kong (Holdings) and its affiliate, Hutchison Whampoa Ltd., are among those that have expressed interest in the so-called Central Station project.

Central Station is the main terminus on Hong Kong Island for a proposed railway to the airport being built on Lantau Island, west of Hong Kong Island. Chep Lap Kok Airport is scheduled to be completed by July 1997.

Mass Transit Railway Corp., the government-owned operator of the territory's underground railway, has invited developers to submit bids for the Central project by the end of next week. The operator will grant property development rights for the station, which is expected to include 223,650 square meters of office space, 90,000 square meters of retail space and 102,500 square meters of hotel or service-apartment space.

Mr. Yung said CITIC Pacific, whose interests include stakes in Cathay Pacific Airways Ltd. and Hong Kong Telecommunications Ltd., had enough cash on hand to fund its projects and did not plan to sell more shares to raise money.

## Brierley to Sell Stake in Casino

Bloomberg Business News

WELLINGTON — Brierley Investments Ltd. and Promus Cos. said Friday they were selling 36.9 percent of their Sky City project for 156.8 million New Zealand dollars (\$104.6 million).

The companies said they had accepted a bid for 7.38 million shares in the New Zealand casino, which is scheduled to open in 1996.

Brierley, an investment holding company, and Promus, its U.S. partner in the project, are negotiating the terms and conditions of the sale with the bidders and are holding talks with casino regulators.

"It's very good for Brierley," Guv Hallwright of CS First Boston said of the sale.

Last month, Brierley said the partners intended to sell as much as 37.4 percent of the project.

After the sale, which Brierley said it expected to complete by July, the company will hold 50.6 percent of the project, while Promus's gaming subsidiary, Harrah's, will hold 12.5 percent.

Brierley sold its 29.9 percent holding in the British defense and aerospace equipment

manufacturer Alvis PLC in May. Earlier in the month, it sold its 28.4 percent stake in the newspaper publisher Wilson & Horton Ltd., and in mid-April, the company sold its remaining 7.64 percent share in the forest-products concern Carter Holt Harvey Ltd.

Before those sales, analysts considered Brierley to be at the limit of its ability to pay for further sizable acquisitions without seriously increasing its debt levels.

Those sales were offset in part by a string of purchases, including the acquisition of 5 percent of Air New Zealand Ltd., 19.9 percent of the Australian building products group James Hardie Industries Ltd. and 6 percent of the food group Goodman Fielder Ltd.

Hyundai Merchant Marine Plans IPO

Hyundai Merchant Marine Co., a shipping unit of Hyundai Corp., applied to make an initial public offering of 8.6 million common shares in August, Reuters reported from Seoul, quoting a company spokesman.

The spokesman said the company would offer shares at 9,000 won (\$11.84) each.

## Showa's Shares Drop by Limit

Compiled by Our Staff From Dispatches

TOKYO — Showa Line Ltd. said a report Friday concerning its debt was incorrect, but the shipping company's stock nevertheless plummeted to its lowest permitted closing price.

Showa announced its results a week early to refute the report, which said it was suffering from excessive debt and had lost as much as 4 billion yen (\$47 million) in the year ended March 31.

In fact, Showa said, it lost 2.28 billion yen, narrowed from a net loss of 5.41 billion yen the previous year. But its operating loss grew to 1.90 billion yen from 1.07 billion yen.

The stock closed at 81 yen, down its daily limit of 50.

(Reuters, Bloomberg)

## Resort Dreams Fade At Vietnamese Beach

Bloomberg Business News

DANANG, Vietnam — The dream of a China Beach, the famed recreational spot for U.S. soldiers in Vietnam, transformed into a sparkling seaside resort for tourists. The reality is that where a string of resorts was planned, today there are only peeling billboards that more than a year ago announced the resort's imminent construction.

And now, with several new industrial developments planned by the Vietnamese government and companies in nearby China Beach, development for tourism seems further away than ever. Some developers are cutting back their plans.

Al DeMatteis, a New York property developer, planned a \$100 million five-star hotel and marina on China Beach. But the new industrial developments, and the slow pace of tourism in Vietnam, have changed all that.

Instead of the five-star hotel, he said, the company will build several ranch-style villas. Instead of tourism, it now hopes that expatriate businessmen living in Vietnam will buy or rent the villas.

Besides industrial development planned nearby, Mr. DeMatteis said that Danang, the nearest city to China Beach, needed infrastructure, including an international airport, to make tourism profitable.

More than a year ago, Mr. DeMatteis was one of several developers who had announced plans to build more than \$329 million of projects in China Beach, known locally as Non Ngoc. Other developers included an international investment syndicate that still plans to build a \$24 million Indochina Beach Hotel.

American developers in particular foresee a booming market of U.S. Army and other veterans returning to visit Vietnam. Altogether, 3 million soldiers passed through Danang, which was one of the biggest air bases during the war.

The beach remains unpolluted, and an annual surfing competition is starting to attract international attention. But most of the hotel sites remain inactive. Only about 70,000 foreign visitors went to Danang last year. Poor infrastructure and bureaucratic inertia are just some of the problems.

Still, according to Nguyen Xuan Phuoc, Danang's director of tourism, the industrial zones "will not affect tourism development."

# First three months 1995

(in millions of guilders, except amounts per share)	First three months 1995	First three months 1994	%
Result before taxation:			
- insurance operations	482	354	36.2
- banking operations	255	268	-4.9
Net profit	520	470	10.6
Profit per ordinary share	1.92	1.81	6.1
	31 March 1995	31 December 1994	
Total assets	373,212	358,670	4.1
Shareholders' equity	19,366	21,758	-11.0

ING Group's net profit for the first three months of 1995 showed a handsome increase. The results of the insurance operations grew considerably, while the results of the banking operations were slightly under pressure.

In insurance, the life profit rose from NLG 194 million to NLG 245 million (+26.3%). The non-life profit increased by NLG 75 million to NLG 64 million. The improvement of the non-life result is partly due to the fact that the portfolio has not been affected by major natural disasters.

In banking, the interest result fell by NLG 91 million (-5.6%) to NLG 1,521 million. Commission income decreased by 2.6% to NLG 332 million. Although the result from financial transactions improved, it was still disappointing: - NLG 42 million compared to - NLG 234 million last year. Value adjustments to receivables from banking operations amounted to NLG 260 million compared to NLG 250 million (+4.0%). The result of the British bank Barings, acquired on 6 March 1995, was almost nihil.

Shareholders' equity decreased from NLG 21.8 billion at the end of December 1994 to NLG 19.4 billion at the end of March 1995. This decrease was caused by writing off goodwill paid for Barings and by developments in the stock and foreign exchange markets. Shareholders' equity per share decreased from NLG 79.83 at the end of December 1994 to NLG 70.72 at the end of March 1995. The Executive Board expects that, barring unforeseen circumstances, net profit for the whole of 1995 will at least equal the 1994 level.

# ING GROUP

The report for the first three months can be obtained at the following address:  
ING Group, P.O. Box 810, 1000 AV Amsterdam, The Netherlands,  
tel: (+31) 20 541 54 71, fax: (+31) 20 541 54 51.

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Herald Tribune  
THE WORLD'S DAILY NEWSPAPER



**Friday's 4 p.m.**

**Friday's 4 p.m.**  
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.  
*The Associated Press*

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# THE MONEY REPORT

## FIRST COLUMN

### Tax Time: Don't Ask, Just Tell

**F**ORGET about flags and anthems and mascots. If you want to take the true measure of a nation's character, look at the way it drafts and enforces its tax policy.

Tax laws, like any statutes, are a government's way of telling citizens what it wants them to do. Interestingly enough, many Western governments agree on quite a few points. Citizens should work for a living, but preferably not for themselves. They should invest their money, but not make obscene profits; buy their own homes, but not do it too often; have two or three children, but not necessarily get married.

At this time of year, the American expatriate's heart pounds faster at the thought of declaring yet another year's achievements, financial and otherwise, to the U.S. Internal Revenue Service on June 15, the deadline for overseas filing. Although it may be hard for anyone who has been the target of a tax audit to swallow this, the IRS is almost a caricature of the American reputation for openness. Tell us everything, the service says, even if you're not sure we need to know.

The reason for this attitude — again, believe it or not — is that the U.S. tax authorities care a lot more about under-declared revenue than they do about exaggerated deductions. This makes perfect financial sense. One reason for a proposed IRS crackdown on offshore trusts, as Barbara Wall reports this week, is the belief that such trusts allow some \$10 billion in untaxed transfers to U.S. citizens. The IRS would have to disallow a lot of business dinners and charitable contributions to add up to the taxes on that kind of change.

As any accountant will tell you, the IRS can forgive mistakes — after all, nobody's perfect — but it positively hates being lied to. This is worth keeping in mind on Thursday as you sharpen your pencils, switch on your calculator, and prepare to meet one of life's many moments of truth.

— A.B.

## New U.S. Laws Are Changing the Game for Expatriate Taxpayers

By Judith Rehak

**S**O, you're an American expatriate. You pay U.S. taxes. Like many in your situation, you've availed yourself of the automatic extension enabling you to file your 1994 return with the Internal Revenue Service as late as June 15.

But as you prepare to open your checkbook this week, tax experts say you should be aware of changes in U.S. tax regulations that came into effect in 1994. The changes are affecting American expatriates to varying degrees.

Least affected are those whose companies promise so-called tax equalization to their employees living abroad, meaning that the workers won't pay more, or less, than they would at home. But self-employed expatriates may discover they have lost some of their former deductions. Some of the new regulations, moreover, apply to everyone who pays U.S. taxes.

But regardless of where you fall, international tax professionals say the changes, some of which are outlined below, may influence your 1994 filing and how you do your 1995 tax planning.

• **Moving expenses.** The days when Americans could deduct a host of moving expenses when their job took them to a new city are gone. As of 1994, the 30 days — or as much as 90 days for expatriates — of hotel and meal expenses that were allowed while you house hunt, plus the costs of selling a home, are no longer deductible. Still allowed are plane and ship tickets and other transportation expenses for individuals and their families from the old city to the new, and the cost of moving household goods and personal possessions.

American expatriates with tax equalization benefits may find that their companies will bear the burden of costs that are no longer deductible, says Arthur Fisher, an international tax partner with KPMG in Washington, D.C. "But the companies might take a harder look at those costs from now on," he warned.

Who, according to Mr. Fisher, are the big losers on moving expenses? "If you're overseas and self-employed, like a lawyer or consultant, or even retired, you're out of luck," he said.

• **The Medicare tax.** The income on which Americans must pay the Medicare tax of 1.45 percent is now unlimited. Before 1994, the ceiling was \$135,000. So the maximum bite was \$1,958. Now, if you earned, say, \$1 million a year, you could be

socked with nearly \$15,000 in tax. The Medicare tax may even be assessed on expatriates' so-called add-on income, like housing allowances and school tuition, according to Musadiq Bhalloo, an international tax manager with Coopers & Lybrand.

A U.S. multinational company might be willing to compensate for that. "But if it's base pay, the employee is stuck with that," said Mr. Bhalloo, noting that the situation was the same for an expatriate as for someone living in the United States.

• **Business meals and entertainment.** The IRS has tightened the screws on how much you can deduct for those power lunches and dinners, not to mention an evening on the town with a client. The maximum is now 50 percent, compared with 80 percent previously. Once again, the hardest hit are the self-employed.

• **Club dues and travel expenses.** The golf course may be your favorite place to clinch a deal, but as of the 1994 tax year the IRS has decreed that dues and initiation fees paid to clubs for "business, pleasure, recreation, or other social purposes" are no longer deductible. Even if you consider your spouse or significant other an asset to your career, you can no longer write off the cost of taking him or her to a business conference.

• **Charitable contributions.** Are you still sending checks to groups back home, such as your church, alma mater or a philanthropic organization? Starting with your 1994 tax return, those canceled checks are no longer sufficient proof of your contribution. Now, unless you gave less than \$250, you must have a receipt from the organization.

The good news is that, after a barrage of complaints in the United States, the IRS is going easy on demanding receipts this year, allowing taxpayers until October 16 to obtain them. So take the deduction, even without a receipt, say tax pros, and chase it down later if the IRS asks for it.

But Uncle Sam won't be so forgiving in 1995, they warn. To avoid the hassle altogether, Mr. Fisher suggests another strategy: "If you intend to give \$250, give \$249," he said. "It costs the organization \$1 to send you a receipt anyway."

• **Safe-harbor rules.** Under prior regulations, if you paid, say, \$10,000 in U.S. taxes one year, and you paid an estimated tax of \$10,000 the next year, you were protected from penalties, even if you ended up owing \$1 million. Now, anyone who has a taxable income of more than \$150,000

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A break for non-U.S. banks

must ante up estimated taxes of 110 percent of the prior year to be protected. It may already be too late for 1994, but take note when estimating your payments on 1995 income, say the experts.

• **What to look for in 1995.** So far, there haven't been any major changes, according to tax professionals. But there's no doubt on what many taxpayers are wondering about: the prospect of a flat-rate income tax for everyone, a possible reduction in the capital-gains tax, and the question of whether to postpone taking profits on an investment in the hope of a smaller cut for the IRS.

Passage in Congress of a flat-rate tax, which would cut out most deductions, is not in the cards this year, if ever, say political pundits. The reason: It is more complicated than it appears and raises politically charged issues such as elimination of the write-off of interest on mortgage payments.

More likely is a cut in the 28 percent capital-gains tax, although no one wants to predict when it will happen. "We've been down this road before," commented one expert. "Everyone says, 'Here comes a change,' and then it evaporates."

Mr. Fisher gave a 30 percent chance of such a cut happening this year, while Mr. Bhalloo said 1996 was a better bet.

More important, many financial advisers are saying that with the stock market hitting record highs and the economy slowing, waiting to take profits could lead to selling in a market far below its current levels. Most believe that any capital-gains cut would be retroactive as well.

"Don't let the tail wag the dog," warned Mary Malgoire, a Bethesda, Maryland, financial adviser, referring to taxes and investment strategy, respectively.

But while a capital-gains reduction would make headlines, what should you do about keeping up with other changes in 1995 if you don't have professional assistance?

For one thing, you can check in with the IRS overseas offices in major foreign capitals, or with U.S. embassies or consulates. Or you can write to the IRS Distribution Center, PO Box 85074, Richmond, Virginia 23261-5074, U.S.A. Ask for Publication 553 (Highlights of 1995 Tax Changes), available sometime next autumn.

If you are still unprepared for June 15, you can receive a filing extension to August 15 — provided you file Form 4868 by June 15. But remember, as the IRS never fails to remind taxpayers, it is an extension for filing your return, not for paying your taxes.

Meanwhile, one piece of legislation now working its way through the U.S. House and Senate is being watched closely by international tax lawyers and accountants. Under the proposed "expatriation tax," the Internal Revenue Code would require that on the day an individual gave up U.S. citizenship, he or she would have to pay taxes on the appreciated value of any investments in or out of the United States, above a limit of \$600,000.

"It used to be that you gave up your U.S. citizenship and your income overseas was not subject to U.S. taxes," said Sanford Goldberg, an international tax lawyer with Roberts & Holland in New York. "Now, when you leave, the IRS wants to get everything they think they're entitled to" — including, but not limited to, a house overseas, U.S. stocks, and stock options in your company.



### IRS Filing Dates

**June 15:** Official date for U.S. expatriates to file 1994 tax returns. If you are a U.S. citizen or resident alien, you must file a return if you have any income or if you are required to file a return. If you are a non-U.S. citizen or resident alien, you must file a return if you have any income or if you are required to file a return.

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## Americans Are Feeling French Reforms

By Sabine Smith-Vidal  
and Caroline Sutton-  
Peléegeas

**D**ESPITE President Jacques Chirac's campaign promise to use innovative methods in France's battle against unemployment, his new government seems to be studying the same old remedies.

New laws may indeed be enacted. For the moment, however, more relevant for Americans working on France is legislation passed in 1994 focusing on temporary assignments for employees of foreign companies that do not have a legal entity in France. This legislation is part of a long-standing policy to fight unemployment by limiting the influx of foreign nationals to France.

According to the new laws, foreign companies sending workers to France are now obliged to comply with the same labor laws as domestic employers with regard to hygiene and security at work, minimum wages, duration of work, holidays, work on Sundays, premiums and sick pay. The aim is to avoid a chasm between the treatment of French and foreign employees, the latter often being less protected and lower paid than their French counterparts.

The regulations apply to any foreign employer and to any kind of services. Strict control

mechanisms have even been put in place that require the employer to report to the French Labor Administration in advance with details of its activities and the number of employees to be sent to France.

But though there is a sound economic basis for these regulations, it is more than likely that foreign companies sending workers to France for very short periods of time are liable to encounter serious problems in implementing the regulations, ultimately resulting in extensive restrictions on the free movement of labor.

In a recent general policy speech, Prime Minister Alain Juppé spoke of his wish to reform the income-tax system, although he made no explicit reference to a reduction in taxes. Given the current state of French finances, a tax cut appears unlikely in the short term.

Mr. Juppé appears to be favoring an income-tax system that more closely resembles the social-security tax that is withheld by employers. Moreover, France's present system of paying individual income taxes the year following that in which income is earned gives a huge cash-flow boost to first-time taxpayers — particularly foreign employees coming to France for a short-term assignment — to the detriment of the French state finances.

Indeed, the short-term future for foreign workers in France

seems dim, affected by increased charges, stricter immigration control, new labor laws and little hope for an income-tax increase.

Meanwhile, in the United States, a series of tax proposals passed by the House of Representatives may persuade potential U.S. expatriates to stay at home rather than accept an international assignment.

Republican proposals include changes to current capital-gains provisions. Individuals would be allowed to exclude 50 percent of net capital gain from income, effectively cutting their current capital-gain rate of 28 percent in half. To counterbalance the measure, \$2 of capital loss would be required to offset \$1 of ordinary income, and the current \$3,000 capital-loss limitation would further limit potential benefits.

There is also a proposal that would allow home sellers to take a capital loss on the sale of their principal residence. The loss is currently treated as a nondeductible personal loss.

Further legislation that would affect U.S. citizens both at home and abroad is a proposed increase in the unified U.S. estate and gift-tax credit. Currently, tax on the first \$600,000 of estate and lifetime gifts is fully offset by a credit of \$192,800. This credit would be increased over a three-year period to \$248,300, which would likely boost individual estate planning.

A series of other measures intended to benefit the individual taxpayer include a family-tax credit of up to \$500 for parents with an adjusted gross income under \$250,000 for each qualifying child; a marriage penalty credit to mitigate the tax consequences of being married in the United States; a new type of savings account giving rise to tax-free distributions; an increase in the amount that may be contributed annually to an individual retirement account, and a simplification in the alternative minimum tax, which is particularly relevant for overseas taxpayers affected by foreign tax-credit limitations.

The proposals must now all pass before the U.S. Senate, whose disposition toward them, say analysts, is far from clear. Some say none of the reforms are likely to be adopted before the end of the year.

Similarly, in France, analysts say that any significant tax reforms will probably be debated for the 1996 budget in December 1995. This gives any potential assignees to France and their employers reasonable breathing space in which to decide whether the French labor, tax and social climate has become too unfavorable.

**SABINE SMITH-VIDAL** is a lawyer with S.G. Archibald. **CAROLINE SUTTON-PELEE** is a lawyer with Arthur Andersen International's Executive Services group.

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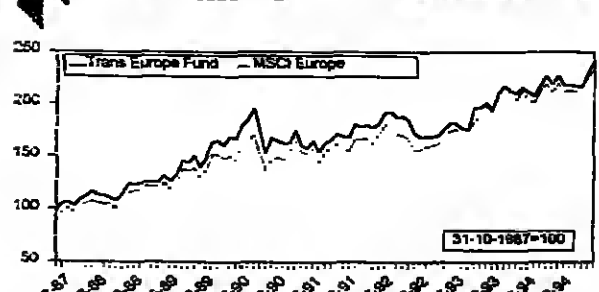
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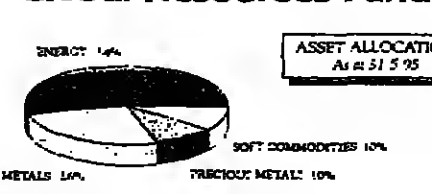


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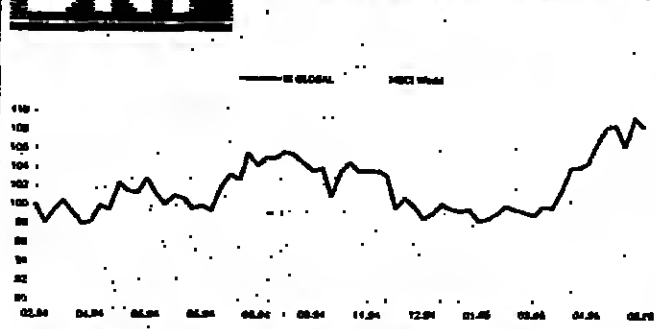
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Contrary to the other Inter Strategy sub-funds which focus most of the time on one or two specific markets, Inter Strategy Global, launched early 1994, is invested in all major equity markets, i.e. North America, Japan, the United Kingdom, Germany and France. A portion of this sub-fund, which is denominated in USD, is also invested in smaller European markets such as the Benelux and Switzerland and, more recently, in southeast Asian markets.

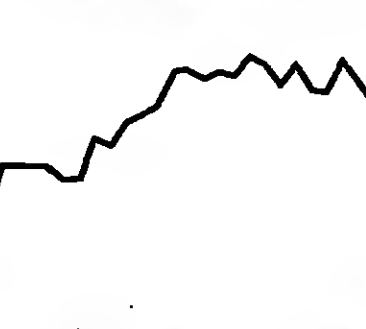
The aim of this broad diversification is to generate a steady appreciation in the net asset value, in line with the MSCI World index. Thus, this sub-fund is more particularly targeted at conservative investors who wish to take part in the global equity market via the charts chosen from all over the world. As can be seen in the above graph, the strategy has been successful as the net asset value has appreciated by 40% since the beginning of the year.

Indeed, this fund benefited both from the strong rally of Wall Street during the last six months, and more recently from the rally in European and Hong Kong equities. At the same time, losses on the Tokyo market which plummeted over the last twelve months, were limited thanks to reasonably sized positions. Furthermore, the broad geographical diversification enabled us to take advantage of the fall in the US dollar.

We remain confident that equity markets will continue to perform well during the months to come, even if economic growth in Europe and Japan has been hampered so far by the low dollar. We believe that the current slow down in the US economy is only temporary and that an improvement in the US currency can reasonably be expected, hence benefiting international equity markets.

## RICHCOURT FUTURES INC.

Net Asset Value per share



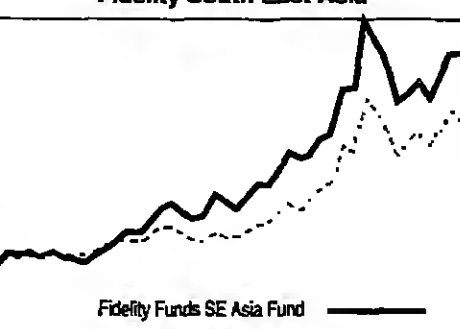
RICHCOURT FUTURES INC. is the very successful futures component of the Richcourt Managed Account Program. The program, which is based on a multi manager concept with assets over USD 75 million, is designed to give access to some of the best money managers in the world. The other funds of the Program are Richcourt America Inc. and Richcourt S Strategies Inc.

Since its inception on April 1, 1992 RICH COURT FUTURES INC. has achieved a total return of 59.9%. This 16.0% annualized return was realized thanks to the careful selection and monitoring of the best Commodity Trading Advisors located throughout the world. RICH COURT FUTURES INC. is well diversified, spreading its investments among trend followers, discretionary traders, and global derivatives arbitrageurs. The money managers invest in the international financial futures, commodities and foreign exchange markets.

The fund is quoted in US dollars and is open for subscriptions and redemptions on a monthly basis.

Further information can be obtained from the ADMINISTRATOR: Citco Fund Services (Europe) B.V., Strawinskylaan 1637, 1007 JE Amsterdam, The Netherlands, Mr. Niels Heck, Telephone: (31-20) 6769611, Fax: (31-20) 6750881.

## Fidelity Investments Fidelity South East Asia



Data Source: Micropal Ltd. Nav to Nav, Gross income reinvested  
Data Source: Datastream, Gross income reinvested

The Fidelity South East Asia Fund has an excellent track record with above average performance since launch. In fact an investment made just over four years ago would have more than doubled by now.

By investing in the emerging markets of the Pacific Basin, the fund has been able to benefit from the outstanding economic growth of this region and following recent volatility many investors are aware that South East Asia could once again provide investment opportunities for long-term growth.

Fidelity was the first foreign fund management group to open an office in Asia in 1969 and now has over \$7 billion under management in Asia alone. Fidelity's South East Asia Investment team includes 20 managers and analysts making in excess of 850 company visits and contacts each year searching for the most attractive investment opportunities.

For further information please contact one of our representatives on +352 251 351 230.

Source of figures: Micropal, NAV to NAV, gross income reinvested to 31/5/95.

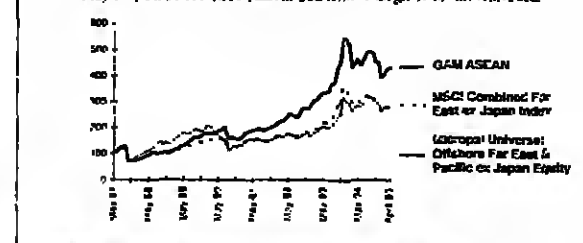
## GAM GLOBAL ASSET MANAGEMENT

GAM Global Asset Management manages \$7 billion from offices in Bermuda, London, New York, Zurich, Hong Kong, Singapore and the Isle of Man. As well as discretionary investment management for private clients and institutions, we offer a selection of funds in different currencies and jurisdictions, many of which are among the top performers in their sectors.

## GAM ASEAN

The fund seeks capital appreciation through investing in securities in the Eastern Pacific and Asia, excluding Japan and Australia.

\* GAM ASEAN ranked 1st in Micropal survey from 29th May 1992 to 1st May 1995 as a NAV-NAV fund in US\$ terms with gross income reinvested.



Compound annual growth in 1st May 1995

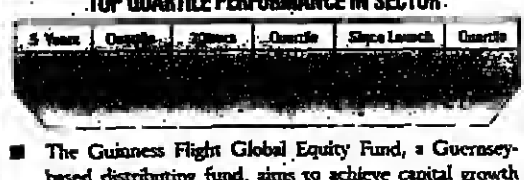
GAM ASEAN 26.00%  
MSCI Combined Far East ex Japan 13.00%  
Global Pacific 13.00%

Fund and sector performance is calculated from the fund's inception on 1st May 1992. (Source: GAM) Micropal survey performance is calculated from 29th May 1992.

GAM FUND MANAGERS (ISLE OF MAN) LIMITED  
11, Abbot Street, Douglas, Isle of Man IM99 1HL, English Isles.  
Tel: 44 1624 632 432 Fax: 44 1624 625 956 or GAM on the Internet: info@gam.com

## GLOBAL EQUITY FUND

TOP QUARTILE PERFORMANCE IN SECTOR\*



The Guinness Flight Global Equity Fund, a Guinness-based distributing fund, aims to achieve capital growth through investing in an international portfolio of equities.

Guinness Flight applies its acknowledged expertise in currency management by managing the fund's currency exposure independently to its equity exposure. This seeks to avoid possible erosion of stockmarket gains through exchange rate movements.

The fund has outperformed the Morgan Stanley Capital International Index since its launch in January 1985. Since launch performance, Guinness Flight Global Equity Fund in US Dollars 456.2%, MSCI World Index 337.9%.

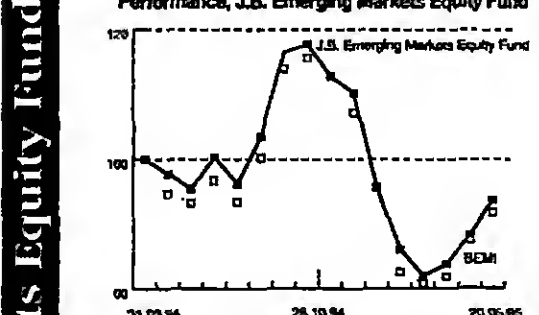
For further information, please contact our Investor Services Department in Guinness on

(44) 1481 712176

\* Source: Guinness Flight Global Equity Fund. The Guinness Flight Global Equity Fund is a Guinness-based distributing fund. The Guinness Flight Global Equity Fund is a Guinness-based distributing fund. The Guinness Flight Global Equity Fund is a Guinness-based distributing fund.

## J.B. Emerging Markets Equity Fund

Performance, J.B. Emerging Markets Equity Fund



J.B. Emerging Markets Equity Fund invests exclusively in emerging markets, i.e. on countries whose economic growth rates are higher than those of industrialized countries. At present, Latin America has a 45% and the Far East a 55% weighting, with Mediterranean countries accounting for a small share of about 5%.

Prices on emerging markets fell drastically after Mexico decided to devalue the peso in December. The resulting general confidence crisis caused the Baring Emerging Markets Index to drop by 30% in two months. The international USD 10 million financial aid package for Mexico and the subsequent agreement between Argentina and the IMF calmed down the markets somewhat. Even if prices have been rising lately, they are still well below their level in December.

J.B. is supported by the Dutch Financial Supervisory Authority. This is to ensure that the fund is managed in accordance with the Dutch Act of Association and the relevant Dutch company regulations, which have been adapted to the EU Directive concerning safeguards for collective investments in transferable securities.

J.B. is a mutual fund group which is fully owned by its investors.

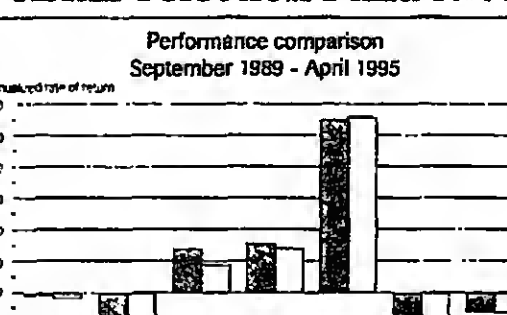
was established in 1986 at the initiative of J.B. Bank, with whom J.B. invests closely.

offers a wide range of investment possibilities designed to meet one or several different requirements about object, risk and time horizon.

If you wish to know more about the J.B. Emerging Markets Equity Fund and other investment vehicles offered by J.B. Bank, please complete the coupon or write or phone direct to J.B. Bank, P.O. Box 1000 (Gronoville), Groningen, The Netherlands. Tel: +31 30 78 78 01, Fax: +31 30 78 78 01.

## Asian Selection Fund N.V.

Performance comparison September 1989 - April 1995



Asian Selection Fund N.V. (ASF) was established by MeePierson Capital Management in 1989 as an open-end investment fund, to provide investors with a means of investing in the dynamic economic development of a number of Asian Pacific Rim countries, excluding Japan. The primary objective is long-term capital growth. Shares ASF, denominated in Dutch guilders, are traded daily on the Amsterdam Stock Exchange.

1994 was a difficult year for most Asian markets. However, corrections of prices far in excess of valuations do not tend to be followed by further weakness once the excesses have been worked off. As such, attention should, once again, be focused on the economic environment. Unless the favourable earnings outlook for the coming years is severely damaged or Asia suffers from unexpected shocks, share prices can be expected to rebound in 1995.

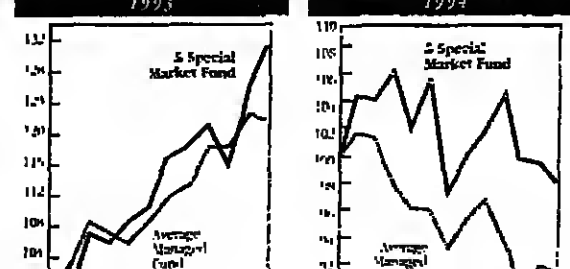
For further information please contact:

MeePierson Capital Management in Amsterdam, tel +31 20 527 4871

## The Performance Edge

Old Mutual International

Old Mutual International (Guernsey)



In 1993, investment profits were low to cause the investment performance of the fund, which every market period improved again.

Last year, conditions were very different - and many fund managers saw their 1993 performance severely tested.

In such conditions, the flexibility of the Special Market Fund and the skills of Old Mutual Portfolio Managers gave us a valuable edge. With the ability to move freely between equities, bonds, cash - and markets, 1994 saw the fund make a well-deserved return to a more defensive position. We couldn't make a full use of our cash, but our ability to make the best of prevailing investment conditions was clearly demonstrated.

It was this fund with this ability and an exceptionally impressive long-term track record could be of interest, please contact our Helpdesk on (44) 1481 1481 1481.

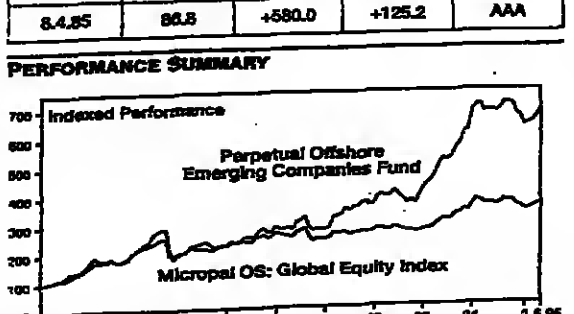
Old Mutual International (Guernsey) Limited is a registered UK company company specialising in the provision of investment products tailored exclusively for the international investor - success in the Special Market Fund is evidenced in our own products.

## Perpetual OFFSHORE EMERGING COMPANIES FUND

Launch Date Value of Fund US\$m % Change Since Launch 5 Years Fund Research Rating

Launch Date	Value of Fund US\$m	% Change Since Launch	5 Years	Fund Research Rating
8.4.85	86.8	+680.0	+125.2	AAA

## PERFORMANCE SUMMARY



GENERAL INFORMATION ON PERPETUAL UNIT TRUST MANAGEMENT (JERSEY) LIMITED

• Offers 10 offshore funds investing worldwide (Minimum investment: US\$2,000)

• Since launch 7 funds have achieved top quartile performance

• Over the last five years, 5 out of 6 funds have achieved top quartile performance

• Offshore Portfolio Management Service, based on Fund range, also available (Minimum investment: US\$10,000)

All statistics are to 31st June 1995, on an offer-to-offer, US Dollar basis including reinvested income, net of withholding taxes (Source: Micropal)

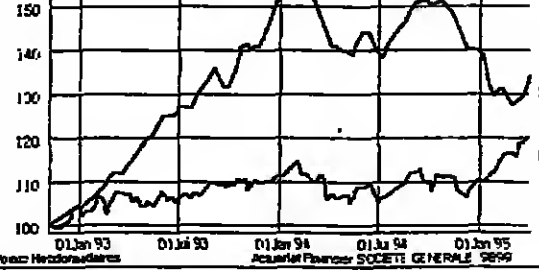
\* Fund Research Ltd is a leading independent qualitative research company.

For further information please phone Marion Buchanan on +44 (0)1534 68448, or send her a fax on +44 (0)1534 38918.

## SOGELUX FUND P

Growth countries and sectors

Evolution of the NAV, to 11.05.92 to 04.04.95, in USD



The Société Générale Group launched the first French SICAV in 1964 and manages today more than USD 60 billion in over thirty financial market places worldwide, on behalf of private investors and institutions.

Since 1987, the Société Générale Group has been offering a Luxembourg mutual fund, SOGELUX FUND, today composed of 18 compartments with a total NAV of USD 570 million.

SOGELUX FUND includes:

- 9 bond compartments specialized in countries or geographic areas (USA, Japan, Europe, Germany, France, UK, Belgium, Spain and Italy) and denominated in the matching currencies,

- 1 diversified world bond compartment denominated in USD,

- 5 equity compartments specialized in North America, Europe, Pacific Rim, Growth countries and sectors, mining and gold instruments,

- 1 diversified world equity compartment denominated in USD,

- 2 short term compartments denominated in French Franc and in ECU.

Sogelux P is equity orientated fund invested principally in emerging markets and in small and medium sized growth stocks in mature markets.

Mail this coupon or send fax to:

Patrick Falconer/Fund Performance Focus

International Herald Tribune, 63 Long Acre, London WC2E 9 JH

United Kingdom. Fax: (+44-1-71) 240 3417.

Please send me information on the funds

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## SPORTS

# Blackhawks Stay Alive, Winning 5-2

**The Associated Press**  
CHICAGO — For three games, the Chicago Blackhawks scored first. They lost to the Detroit Red Wings, anyway.

They scored first again on Thursday night, but this time they followed through with a 5-2 victory to remain alive in the Western Conference finals.

"Getting the first goal doesn't mean a great deal," the Blackhawks' Murray Craven said, "unless you follow it with another goal."

After Denis Savard scored, so did Joe Murphy. Then Dirk Graham scored, and

## NHL PLAYOFFS

Savard and Murphy scored again as Chicago overwhelmed an opponent that seemed not to care.

The desperate Blackhawks thus forced a fifth game Sunday in Detroit.

"Obviously, we're embarrassed with our performance," Keith Primeau of the Red Wings said. "We've got to play 100 times better Sunday."

Detroit goaltender Mike Vernon, abandoned by his defense, allowed four goals on 10 shots before getting an early shower.

"This was a great opportunity and we just let it slip away," he said.

In the first period, the Red Wings allowed three goals and failed to score on four power plays. After that, they stopped trying.

The Red Wings, seeking their first trip to the Stanley Cup finals since 1966, were playing without Sergei Fedorov — the league MVP last year and this year's second-leading playoff scorer — who hurt his left shoulder and chest late in Game 3.

The Blackhawks played most of the game without their own All-Star center, Jeremy Roenick, who left in the first period after twisting his left knee.

Detroit's captain, Steve Yzerman, hark after a three-game layoff with a knee injury, couldn't help the Red Wings finish off the Blackhawks.



Joe Murphy, right, and Tony Amonte celebrating one of Murphy's two goals for Chicago against the Red Wings in Game 4 of the Western Conference final.

# Reds' Comeback Continues, So Do Injuries

**The Associated Press**  
After a 1-8 start and injuries to key players, the Cincinnati Reds are finding ways around their problems.

They rallied to defeat the Houston Astros, 6-3, on Thursday night, bringing their record to 25-14, even with Philadelphia for the best record in the National League.

But problems continue. Barry Larkin, the Reds' shortstop and the league's fourth-ranking hitter at .353, was hit on the right hand by a Darryl Kile pitch in the third inning. X-rays were negative, but Larkin received three stitches to close a cut on his thumb. The Reds listed him as day-to-day.

"It was a huge scare," the Reds manager, Dave Johnson, said. "I was afraid he'd come up with a fracture, but it looks like it's just a few stitches and a bad bruise. It might be up to a week."

Cincinnati already has overcome injuries to outfielders Ron Gant and Deion Sanders and starter Jose Rijo.

The Reds were trailing 3-2 when they

scored three runs in the top of the seventh. Lenny Harris, who replaced Larkin, tied it with a run-scoring single and Hal Morris made it 4-3 with a sacrifice fly. Gant drove in the final run with a single.

Tim Lincecum, who hasn't lost since May 27, 1994, allowed six hits and three runs in six innings.

The Astros got all their runs in the

## NL ROUNDUP

second, two scoring on a double by Kile, who has lost four straight.

Mets 9, Giants 6: The Mets came up with seven runs in the top of the first, their highest inning of the season, and earned a split in the four-game series. New York sent 11 men to the plate, and Brett Butler walked and scored, then drove in two runs with an infield single.

Dave Miskie went a career-best 7 1/3 innings, allowing five runs on eight hits, including homers to Barry Bonds and Mark Carreon.

# Indians Rally Late Again to Top Brewers

**The Associated Press**  
It was another late-inning drama for the Cleveland Indians, who rallied for four runs in the top of the ninth to beat the Milwaukee Brewers, 8-7.

Jim Thome's two-run homer capped the comeback Thursday night, the 11th time this season the Indians have won in the last at-bat. Overall, Cleveland has won six in a row and 11 of 12.

"It doesn't constantly amaze me. We do what we're capable of doing," said the Indians manager, Mike Hargrove, who was ejected in the ninth for arguing balls and strikes.

"We feel if we can get the winning or tying run to the plate often enough good things are going to happen, because we do swing the bat," he said.

At 28-10, the Indians have the best record in the majors. They are even 6-7 when trailing after seven innings.

"We just have a lot of guys who can hit the ball out of the park in the late innings," Thome said.

The Indians were down 6-4 in

## AL ROUNDUP

the ninth when Omar Vizquel and Carlos Baerga singled off Graeme Lloyd, and Belle tied it with a two-run double.

Bill Wegman relieved and retired Eddie Murray on a fly ball, but gave up a 425-foot home run to Thome.

"We went from looking real good to looking real bad," the Brewers manager Phil Garner said.

Rangers 10, Royals 9: After pitcher Bob Tewksbury almost won the game in a rare appearance at the plate, Rusty Greer made sure for Texas.

Greer led off the bottom of the 10th with a home run off Billy Brewer. The Rangers overcame an 8-1 deficit after seven innings.

Benji Gil's two-run homer in the ninth off Kansas City relief ace Jeff Montgomery tied it at 9. Later in the inning, with the bases loaded and two outs, Tewksbury batted for pitcher Matt Whiteside. The Rangers had lost their designated hitter spot because of lineup changes and were out of position players.

Tewksbury, a .154 batter in the league, pulled a line drive foul down the left-field line be-

fore striking out. Greer's homer was his fifth of the season, and three have won games.

Angels 10, Red Sox 8: The longest nine-inning game in the majors this season — 4 hours, 9 minutes — featured a bench-clearing brawl at Fenway Park.

California rallied for a 9-8 lead in the eighth on errors by shortstop John Valentin and third baseman Tim Lincecum.

In the seventh, Tony Phillips and the Boston catcher, Mike MacFarlane, began arguing after a called strike. They began scuffling, and both were ejected.

Lee Smith tied Doug Jones' major league mark with saves in 15 straight appearances.

Athletics 8, Yankees 3: Ruben Sierra hit two solo home runs and Geronimo Berroa had a two-run homer as Oakland won in New York.

The Yankees lost their 11th in 16 games. Don Mattingly, whose nine Gold Glove awards record for an AL first baseman, made two errors in an inning for the first time in his career, misplaying a pair of grounders in the seventh.

Jack McDowell, who despite striking out 11 in seven innings, was 1-1.

Orioles 8, Mariners 2: Brady Anderson and Kevin Bass led off the first inning with home runs, sending Baltimore past visiting Seattle.

Jeff Manto hit a pair of two-run homers for the Orioles and Cal Ripken also connected.

Mike Mussina gave up five hits in eight innings. Salomon Torres allowed five hits, four of them home runs, in his first league start.

Twins 9, Tigers 2: Scott Leach, Pedro Munoz and Rich Becker homered for Minnesota, playing at home.

Kevin Tapani, who shut out Texas in his last start, pitched eight innings and allowed two runs, both of them unearned. He struck out seven, and extended his streak of consecutive innings without a walk to 23.

Leach also doubled and singled against Mike Moore.

## SCOREBOARD

### Major League Standings

#### AMERICAN LEAGUE

##### East Division

	W	L	Pct.	GB
Boston	25	13	.438	—
Baltimore	17	21	.447	8
Toronto	16	22	.421	9
New York	15	23	.395	10
Detroit	14	24	.368	11

##### Central Division

	W	L	Pct.	GB
Kansas City	20	18	.526	—
Minnesota	17	21	.447	3
Chicago	15	23	.395	5
St. Louis	12	26	.315	12

##### West Division

	W	L	Pct.	GB
California	24	16	.600	—
Texas	21	19	.524	3
Seattle	21	19	.524	3
Oakland	21	19	.524	3

#### NATIONAL LEAGUE

##### East Division

	W	L	Pct.	GB
Philadelphia	25	14	.641	—
Atlanta	22	17	.564	3
Montreal	22	17	.564	3
New York	19	20	.488	6
Florida	12	26	.315	13

##### Central Division

	W	L	Pct.	GB
Chicago	22	17	.564	—
St. Louis	19	20	.488	3
Pittsburgh	18	21	.462	4
Cincinnati	14	24	.368	10

##### West Division

	W	L	Pct.	GB
Colorado	24	16	.600	—
San Francisco	22	18	.553	2
Los Angeles	20	20	.500	4
San Diego	17	23	.429	7

#### Thursday's Line Scores

	W	L	Pct.	GB
Seattle	8	11	.420	7
Baltimore	20	10	.667	—
Toronto	10	10	.500	—
San Francisco	10	10	.500	—
Los Angeles	10	10	.500	—

### Baseball

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# Herald Tribune

## SPORTS

SATURDAY-SUNDAY, JUNE 10-11, 1995

PAGE 21

## Familiar Foes Take Sides In Rugby Quarterfinals

CAPE TOWN — It may be the finest match of the Rugby World Cup, and even then it might not really matter. Australia and England were cup finalists four years ago. They meet in a quarterfinal here Sunday to decide which of the old names will earn more go, and which will be sent home for good, in world championship terms at least.

The Aussies, winners by 12-6 in the 1991 final at Wembley (their most recent meeting), have been talking up the prospect of a fast, exciting match, but it seems as if they've been trying to convince themselves.

"There are some very exciting players on both sides and I think it would be rather reminiscent of either side to allow them to be left out of the game for any length of time," said the Australia captain, Michael Lynagh. "You can draw your own conclusions from that as to what we will be trying to do. My philosophy has always been that you get most points for scoring a try and that seems to be the aim of the game. We'll be trying to do that with players like David Campese, Jason Little and Tim Horan."

If Campese scores a try, it will be his first of the tournament. The mere presence of Horan — one of two changes from the team upset by South Africa in the opener two weeks ago — is inspiring, but it is not at all certain he can return to his world-best form in just his third appearance for his country since a debilitating knee injury last year.

Australia needs to break loose for reasons of confidence. While the England coach, Jack Rowell, has been promising a more expansive game, his team has been reverting to old, stodgy ways. The speedy center Jeremy Guscott hasn't made a peep, and almost was dropped for this weekend. Yet the idea that England cannot win on the basis of field position and Rob Andrew's kicking has probably dissipated in view of Australia's recent troubles. Suddenly, the English way may be the best hope for beating the favored Wallabies; pin them down, frustrate them, and hope they wallow in the belief that their best days are behind them.

Campese at last started acting like himself again, breaking his self-imposed public silence by accusing England of boring play, just as he did four years ago.

"We watched England versus Scotland the other night, and it really frustrates me when you just see 27 points or whatever from penalty goals," he said. "I can't see how people enjoy it. Rory Underwood's a great talent, so is Jeremy Guscott, but they would rather kick goals than score tries."

He also accused the England captain, Will Carling, of deliberately trotting out him during the 1991 final. "If you watch that tape, when I knocked the ball down and dived on it, Carling comes over and treads on me," Campese said. "Just have a look. Nothing's been said about it."

Told that the England hooker Brian Moore would be retiring after the World Cup, Campese said: "Good."

Carling refused to be drawn by Campese's statements, but he did express confidence despite England's winless record against Australia away from Twickenham.

"I believe if we achieve what we can achieve, we'll beat them," Carling said. "We had too much respect for them in 1991. Now there's the knowledge that we have beaten southern hemisphere sides recently, while in 1991 we hadn't, really."

The tenor of the game might mean more than the identity of the winner. Will one side emerge feeling better about itself? For lurking ahead in the semifinals, casting its shadow over Newlands, will probably be New Zealand and the unfettered legs of winger Jonah Lomu.

Scotland has issued its warning for the quarterfinal Sunday afternoon in Pretoria. "I have a feeling there's going to be one or two upsets," said the 33-year-old captain, Gavin Hastings, who has said he will retire internationally with Scotland's next loss.

"The promise of this Scotland side has still to be fulfilled," he said. "I don't think there has been an outstanding team in the World Cup so far, and not too many sides in the last eight have shown their true form up to now. The All Blacks have and Scotland have come quite close, though we should have won on Saturday."

Scotland was sentenced to this match by the last play of its last group game, the famous, furious try by France. A Scotland victory now, after the sorrow of the previous weekend (coupled with New Zealand's 145-17 whacking of Japan), would probably amount to the biggest upset in the World Cup's short history. The Scots have never beaten New Zealand in 17 meetings. Their only advantage would seem to be uniforms — Scotland won the coin toss, forcing the All Blacks to wear all white.

France and South Africa will also be expected to move firmly through their quarterfinals on Saturday. France plays Ireland in humid Durban; the French, at their ebullient last winter following defeats by England and Scotland, still managed to beat Ireland, 25-7, in Dublin. They haven't lost to the Irish since 1983.

Philippe Benetton and Guy Acooseberry, who suffered broken arms against Scotland, have been replaced by No. 8 Marc Cecil and scrum-half Aubin Hueber.

South Africa, following an embarrassing week of national overreaction to the suspension of James Dalton for brawling, should repel itself against Western Samoa before the largest crowd of the tournament in Johannesburg. The Springboks throttled Samoa by 60-8 in the same Ellis Park just two months ago. The audience will undoubtedly make a great show of greeting Chester Williams, returned from a hamstring injury, as the first black man to represent South Africa in the World Cup.



Thomas Muster on his way to defeating Yevgeni Kafelnikov on Friday.

## Pierce Seeks to Ban Autobiography

The Associated Press

PARIS — Mary Pierce had a change of heart. Instead of taking her new autobiography on the traditional book tour, the tennis star has appealed to a French judge to ban its publication.

With a decision still pending, "Mary Pierce: My Life On Court, Off Court" quietly made its way into French bookstores earlier this month. Written in the first person with the help of a ghost writer, Gilles Lothe, the book is a rosy romp through Pierce's 20 years.

There are no real revelations. Mary

remains tight-lipped on her decision to cut off her father, Jim Pierce, after years of physical and mental abuse.

Lothe said the book was meant simply "to paint a pleasant portrait of Mary for her fans." Which is why Editions Michel Lafont was stunned when Pierce filed suit to block publication.

The suit cites only two passages — one about Mary's hearty appetite; the other, her predilection for Harley-Davidson motorcycles.

Last week a judge threw out the case against Lafont, but the Pierces have appealed.

## Chang Faces Muster In French Open Final

By Christopher Clarey  
Special to the Herald Tribune

PARIS — Betty Chang piously termed it a "miracle." Luis Bruguera grimly called it "quite logical."

But it was left to Michael Chang's brother, coach and equally poker-faced confidante to come up with the best description of the semifinal that put an end to Sergi Bruguera's two-year reign at the French Open.

"It was," Carl Chang said, "a chess match." Like most chess matches, Michael Chang's 6-4, 7-6 (7-5), 7-6 (7-0) victory was more about concentration, quick thinking and staying power than about brute force and adrenaline. And like most chess matches, it was not a whole lot of fun to watch.

Instead, the nattily attired French fans on Center Court sat quietly and (for a change at this tournament) politely as Chang scrambled, moonballed and ultimately confounded Bruguera at his very own game: patient and opportunistic baseline tennis.

"I was tired and when you are tired, you don't think well enough," Bruguera said matter-of-factly.

Chang, the short and sturdy American who wears his Christian faith on his short sleeves, will need to think and dig deeply again to have any chance of reclaiming the Grand Slam singles title he won here in 1989 at age 17. His opponent in the final Sunday will be the dominant clay-courtier of the moment: Thomas Muster of Austria, who growled and rumbled his way past outmanned Yevgeni Kafelnikov of Russia in Friday's other semifinal, 6-4, 6-0, 6-4.

"You feel like a small moth against a big elephant," Kafelnikov said.

It was Muster's 34th straight victory on clay, and it put him in his first Grand Slam final at the relatively advanced age of 27. But then Muster is not one to follow form. The son of an Austrian army officer has been defying odds ever since he emerged from a nation with a great deal more skiing history than tennis history.

Muster ran into his most imposing obstacle on the evening of March 30, 1989 in Florida, one hour after reaching the final in Key Biscayne. After deciding to stop his car to buy a sandwich, he was rammed through the trunk when a drunk driver smashed his car into Muster's vehicle. The impact would leave him with severed tendons in his left knee and a very uncertain future.

Before long, he was back on court slugging forehands in a wheelchair. Within six months, he was back on the circuit and in 1990, he made it all the way to the semifinals at the French Open.

Of the 28 tournaments Muster has won, 27 have been on clay, but until this year, he never came close again to win-

ning the big one. Now, after improving his diet, monitoring his blood composition and recommitting himself to being more aggressive from the baseline, he is back on the brink. Paradoxically for a player who can exude something resembling animal rage on court, he sounds almost fatalistic about the final.

"Win or lose I am happy," he said. "When you are young and you come from a family that isn't necessarily wealthy, you play for material things. But now I don't play for anything else but me. Not for the crowd, not for the money. It's the playing that gives me pleasure."

Muster had much to be delighted about against the 21-year-old Kafelnikov, who, in his first Grand Slam semifinal, failed to match the Austrian's consistent force from the baseline in the first two sets. To his credit, Kafelnikov attempted to change his game in the third, serving and volleying to throw off Muster's rhythm.

Muster always has had more trouble with attacking players than baseliners at Roland Garros, and Kafelnikov's tactics bore fruit for a time. But after failing to convert a break point in the eighth game, the Russian cracked on his serve at 4-4. When he lost the game with a weak backhand volley in the net, Muster roared, pumped his fist and proceeded to serve out the match.

Chang's straight-set victory over Bruguera, the two-time defending champion, was considerably more unexpected. With his racket-wrenching topspin off both wings, superior footspeed and combative nature, Bruguera's game is ideally suited to the medium-speed clay in Paris. But rain has slowed down Center Court in the last 10 days, taking some of the bounce out of the Spaniard's high-kicking groundstrokes. At the same time, Bruguera, who missed nearly two months of action early this year with a knee injury, was losing some of the bounce in his legs and experiencing tightness in his lower back.

On Thursday, Chang repeatedly frustrated Bruguera in long rallies, mixing high, slow balls with sharply angled shots. While Chang stayed focused, Bruguera spent much of the long afternoon making questionable decisions and mumbled to himself. He even forgot the score at one point, lining up on the wrong side to serve.

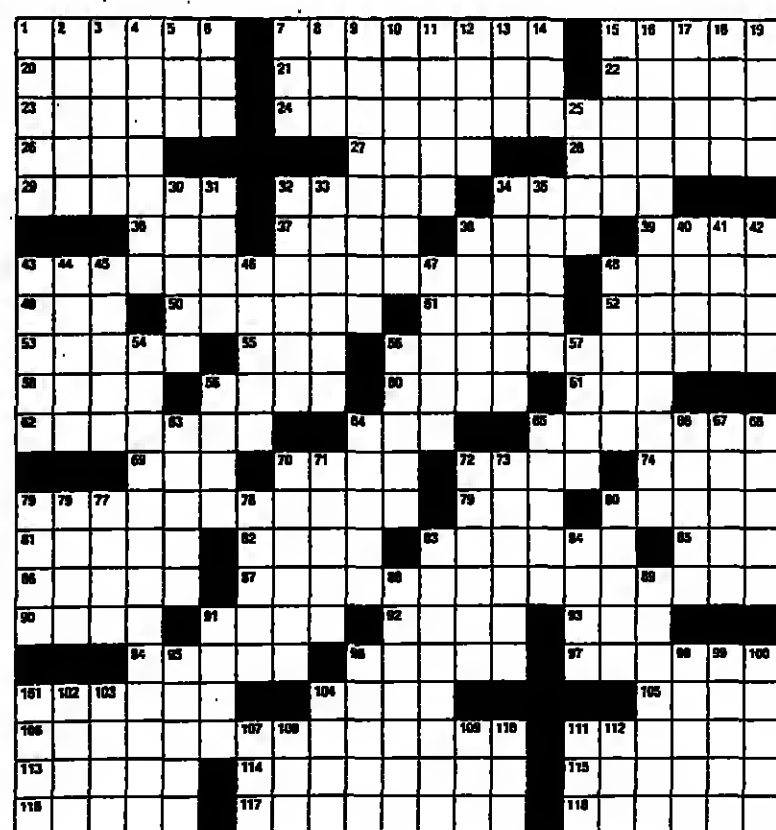
Chang clearly prepared well and now for the first time since 1989, he is back in a Grand Slam final. The bad news is that Muster, 3-0 head-to-head against Chang, is knocking his path.

"You don't want to let those ones get away," said Chang, an avid fisherman who favors angling analogies. "Hopefully on Sunday, we'll put out the lines and have the right bait and hopefully bring him to the boat. Then again, he might be out there on Sunday trying to eat my boat and me as well."

## O CAPTAIN, MY CAPTAIN By Coral Amende

- ACROSS
- "Little" person
  - Qualifies
  - Calyx division
  - To land
  - Brownish-yellow to the extreme
  - Astronaut
  - Schurra
  - "I may be — but..."
  - Captain Kirk
  - Excommunicates
  - Binders
  - Say it's so
  - Whole
  - Peter of rock's Kiss
  - Clever remark
  - Ancient X
  - Sao — Italy
  - Cookout fare
  - Other
  - Captain America
  - flow turbine
  - Suffix with magnet or meteor

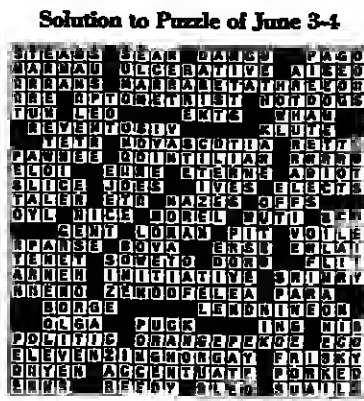
- Grew aware of
- Once more or no more
- Lick
- Common side dishes
- Waiting period, seemingly
- Captain Bligh
- Moon phenomenon
- Novelist — Easton Ellis
- Scratches (out)
- "Old MacDonald" syllables
- Kind of name
- Happy as a lark
- Less happy
- Nanny's charge
- Green scene
- Hires a crew, perhaps
- Linen hue
- Captain Hook
- Health care lobby, for short



© New York Times/Edited by Will Shortz.

- DOWN
- Browning's "Ben Ezra"
  - Flu variety
  - Obscure contraction
  - Famed horseman
  - "Be" conjugate
  - Forewent
  - Connections in old Rome
  - Fluff
  - Cheated oo
  - Denture part
  - Tots: Var.
  - Take away, in a way
  - Double-hook shape
  - Erwin of old TV
  - Feb
  - Captain Cook
  - Ballistic bend
  - Sleep like —
  - Swan's neighbor, in the night sky
  - Is friendly with "around"

- 1988 Tim Rice musical
- It comes after Easter
- Fictional mariner from York
- Word in a street-corner sermo
- "The Divine Comedy" creatures
- Move of a boor
- It may be mechanical
- About
- Repairman's reading
- Marine biology subject
- Sticky Sp.
- Synoptic substance
- 1934 film seductress
- Kenyan native
- Lord of poetry
- Step up
- Breaches



## After 2d Operation, Mantle 'Doing Well'

The Associated Press

DALLAS — Mickey Mantle was "doing remarkably well" after a second operation in 24 hours to correct a bleeding problem, and was breathing on his own after being taken off a respirator Friday, according to hospital officials.

The 63-year-old Hall of Famer was listed in critical but stable condition in the Baylor Medical Center's intensive care unit a day after his liver transplant.

"We went in and cleaned out a little bit of blood clotting, found one or two spots that we could put a stitch in and closed it," Dr. Robert Goldstein said of this morning's surgery. "It took all of about 30 minutes."

Dr. Gorman Klintmalm, medical director of the Baylor Transplantation Institute, said Mantle watched morning television shows and was in good spirits.

"He said that he feels good and, when asked what his thoughts are, he said, 'Incredible.' Dr. Goldstein said a news conference. "So, I think right now that he's doing remarkably well and we're very, very pleased with his progress."

Mantle, who received about four units of blood before the surgery, has had no more bleeding since the operation and could leave the hospital in 2½ to 3 weeks, said Dr. Goldstein.

But, Dr. Klintmalm said the liver removed from Mantle was in worse condition than anticipated and that the former New York Yankees star was lucky to get a new organ in such a short time.

"Now I think we'll be dealing with the typical problems we see after transplants, such as infection," said Dr. Goldstein.

Mantle was diagnosed with progressive liver failure after he was admitted to the hospital on May 28, complaining of abdominal pain. Doctors said Mantle's condition would have dramatically worsened within days had his liver not been replaced.

Without the new organ, Dr. Goldstein said, Mantle had "a week, maybe two to live."

Doctors said that in addition to cirrhosis brought on by years of alcohol abuse, Mantle also had a malignant tumor blocking his bile duct and a long-dormant case of hepatitis C.

Dr. Klintmalm said Mantle's

kidneys were returning to normal. But he said doctors would continue to watch for any signs of returning cancer.

Mantle's son, David, appearing on national television, was asked about criticism of his father getting a liver after only two days on the waiting list, since he may have brought about his physical problems with more than 40 years of heavy drinking.

"I can understand that," David Mantle said of the criticism. "I feel that the hepatitis C was in there, that was another factor. We're pretty sure, too, that the alcohol had something to do with it."

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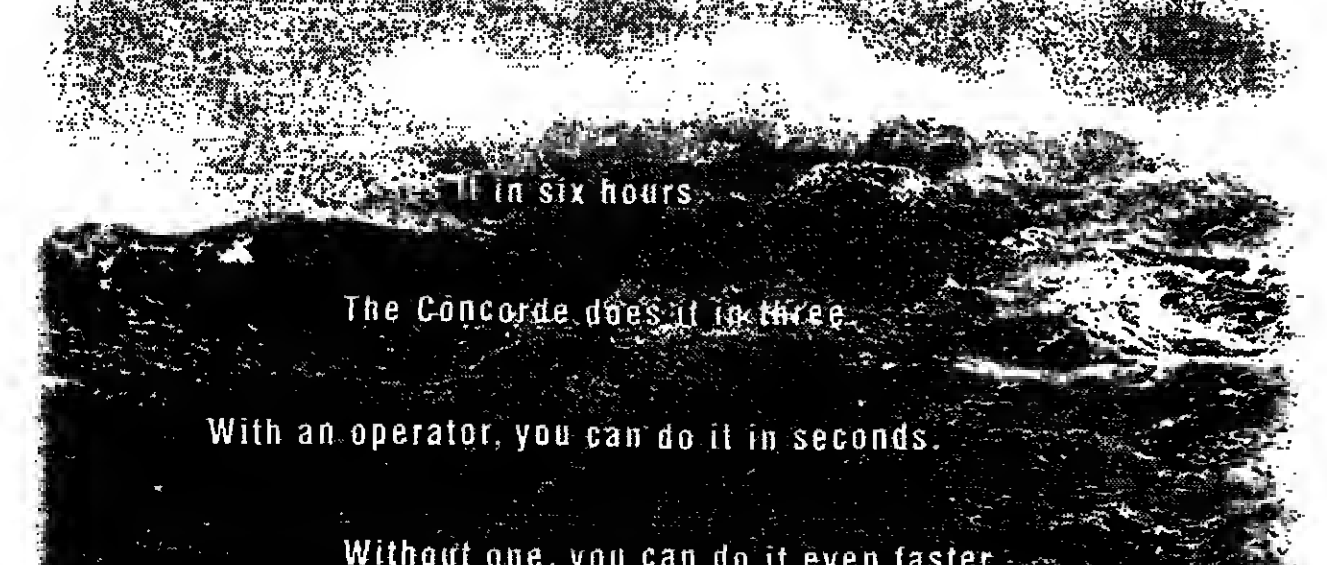
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## A TV Network for the Food Obsessed

But even that may change. A scientist has just announced a new way of reducing the fat content in pork chops by a form of permanent liposuction. If successful, it will be tried on overweight American pets and eventually, on their owners.

The actor Christopher Reeve, who was paralyzed after falling from a horse and breaking his neck, has regained some movement on both sides, his neurosurgeon said. Dr. John Jane called the actor's progress "encouraging." Reeve, 42, known for his leading role in the "Superman" movies, remains on a respirator.

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